

F.O.I.A.

JULIUS ROSENBERG ET AL.

FILE DESCRIPTION

HQ

FILE

SUBJECT *SILVERMASTER*

FILE NO. *65-56402*

VOLUME NO. *156*

SERIALS

4024-

*WHITE
REPORTS*

CURRIE 4038.

(Brownhill)

File No:

65-56402
Serial 58156

Re:

Shelburne

Date:

(month/year)

Serial	Date	Description (Type of communication, to, from)	No. of Pages		Exemptions used or, to whom referred (Identify statute if (b)(3) cited)
			Actual	Released	
4004	11/14/53	fold memo to Director	2	2	
NR	11/5/53	fold memo to Director	36	26	
NR	10/28/53	NY TT #8	2	2	
NR	11/6/53	HA let WFO	1	1	
NR	11/6/53	fold memo to Director	1/3	1/3	b1 b7D
NR	11/9/53	Belmont memo to fold	4	4	b1
NR	11/9/53	Director memo to Tolson	4	4	
NR	11/9/53	Nichols memo to Tolson	1	1	
NR	11/9/53	" " "	1	1	
NR	11/9/53	fold memo to Director	1/2	1/9	3pgs refer b1 b7D outside preview of FOIA
NR	4/15/48	HA let DOJ	3	3	b7D

71 65 0 3
Rev. Rec. Change Ref.

File No: 65-57402

Re: Belmont

Set 150

Date: (month/year)

Serial	Date	Description (Type of communication, to, from)	No. of Pages		Exemptions used or, to whom referred (Identify statute if (b)(3) cited)
			Actual	Released	
NR	12/8/47	Tamm memo to Becker	1	1	
NR	2/24/47	Hoover memo to Tolson	2	2	
NR	2/9/47	" "	1	1	
NR	11/11/53	Belmont memo to Gold	18	10	b7D, b2 rule 6e
NR	11/11/53	Nichols memo to Tolson	1	1	
NR	11/13/53	Clegg memo to Tolson	2	2	
NR	11/14/53	Hoover memo to Tolson	2	2	
NR	11/14/53	Nichols memo to Tolson	1	1	
NR	11/16/53	Belmont memo to Gold	1	1	
NR	11/16/53	Belmont memo to Gold	1	1	
NR	11/16/53	Belmont memo to Gold	1	1	
NR	11/16/53	DoD let H&W/end.	1/30	0	31 not

54
Rev23
Re0
Ding31
Refer

File No:

65-56402
Sub 156

Re:

Belmont

Date:

(month/year)

Serial	Date	Description (Type of communication, to, from)	No. of Pages		Exemptions used or, to whom referred (Identify statute if (b)(3) cited)
			Actual	Released	
NR	11/16/53	Lead memo to Hoover	2	2	b2 b7D
NR	11/16/53	Belmont memo to lead	2	2	b2 b7D
NR	11/16/53	Lead memo to Hoover	1	1	
NR	11/16/53	" " "	2	2	
NR	11/17/53	AD Statement	23	23	
NR	11/25/53	News release	3	3	
NR	11/17/53	Belmont memo to lead	2	2	
NR	11/17/53	Lead memo to Belmont	2	0	3.11/26
NR	11/17/53	Alt Lt WFO	1	1	outside purview of FOIA
4025	11/12/53	Belmont memo to lead	1	1	b2 b7D
4026	11/18/53	Lead memo to Director	1	1	
NR	11/18/53	Belmont memo to Tolson	1	0	b1

411
Rev 38
Rel 1
Deny 2
Refuse

File No: 65-56402
Sub 156

Re: Administrator

Date: _____ (month/year)

Serial	Date	Description (Type of communication, to, from)	No. of Pages		Exemptions used or, to whom referred (Identify statute if (b)(3) cited)
			Actual	Released	
NR	11/19/53	Nichols memo to Tolson	1	1	
NR	11/19/53	" " "	1	1	
NR	11/20/53	" " "	2	2	
4027	11/20/53	Same memo to Nichols	1/40	1/40	
4028	11/23/53	Belmont memo to Felt	1	1	
4029	11/25/53	Nichols release	3	3	
4030	12/11/53	Change to Sheet	1	1	
NR	11/18/53	Nichols article	3	3	
NR	11/19/53	Nichols memo to Tolson	1	0	b7c b7d
NR	11/19/53	" " "	1	1	
NR	11/19/53	Belmont memo to Felt	1	1	b7c b7d
NR	11/25/53	" " "	2	2	

58
Rev
51
Rel
1
Deny
0
Ref

File No: 65-56402

Re: Silvermaster

Date: _____

(month/year)

Serial	Date	Description (Type of communication, to, from)	No. of Pages		Exemptions used or, to whom referred (Identify statute if (b)(3) cited)
			Actual	Released	
NR	11/25/53	fold memo to Director	1	1	
NR	11/25/53	Belmont memo to fold	2	1	b1
NR	11/25/53	Attorney let HQ	2	1	b1
NR	11/14/58	fold memo to HQ	1	1	b3 Rule 6e
4031	11/27/53	Belmont memo to fold	1	1	
NR	11/27/53	News article	1	1	
4032	11/30/53	Belmont memo to fold	1	1	b3, Rule 6e
4033	11/13/53	NY let HQ	1	1	
4034	11/30/53	Belmont memo to fold	1	1	
4035	12/3/53	Michael memo to Tolson	2	2	b7c b7D
4036	12/8/53	Belmont memo to fold	1	1	
4037	12/3/53	NY let HQ	1/3	1/3	

7/8 Rev Rule 6e Deny Refuse

Office Memorandum • UNITED STATES GOVERNMENT

TO : The Director

DATE: November 14, 1953

FROM : D. M. Ladd

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 10/30/83 BY SP-5 [signature]
12/13/88 30427684/JSSUBJECT: NATHAN GREGORY SILVERMASTER, with aliases, et al
ESPIONAGE - RTolson
Ladd
Nichols
Belmont
Clegg
Glavin
Harbo
Rosen
Tracy
Gearty
Mohr
Winter
Tele. Rm.
Holloman
Sizoo
Miss G.

With reference to the telephone call you received today from Assistant Attorney General Olney to the effect that one of the Bureau's espionage summaries turned up in the possession of Nathan Gregory Silvermaster, the following is submitted:

During the investigation of Nathan Gregory Silvermaster, we never developed any information that he had possession or access to a Bureau espionage summary.

Undoubtedly, Mr. Olney is referring to the incident where a summary was furnished to Major General Vaughan at the White House and was subsequently delivered by him to Lieutenant General Gregory, head of the War Assets Administration.

The facts concerning this were as follows:

On March 13, 1946, Joe Carroll and Leo Laughlin, who were then on loan to War Assets, called at your Office to advise that a copy of the summary report (Underground Soviet Espionage Organization (NKVD) in Agencies of the United States Government) dated February 21, 1946, together with a cover letter addressed to General Vaughan, had been given by General Vaughan to Lieutenant General Gregory who in turn had given the report to Carroll. The report was furnished to Gregory by Vaughan during a discussion during which Vaughan mentioned that there was a Communist in the War Assets Administration and referred to Nathan Gregory Silvermaster.

SAC Leo Laughlin of the Washington Field Office today advised concerning his recollection of the incident. He stated that he and Joe Carroll were approached on one occasion by Lieutenant General Gregory who wanted to know if they knew anything about Nathan Gregory Silvermaster. About two days later Gregory and his Chief Assistant visited Carroll's and Laughlin's office with the summary memorandum in an envelope and left it with them. At that time Laughlin understood from Lieutenant General Gregory that the memorandum had been furnished by General Vaughan. Laughlin pointed out that the Bureau's memorandum was handled on a high level in the War Assets Administration and he did not see how Silvermaster could have had access to it.

65-56402

WAB:njh

NOV 19 1953

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65-56402-4024

NOV 18 1953

REC. SEC.

TRAVEL

It should be observed that Nathan Gregory Silvermaster was employed by the War Assets Administration from March to November, 1946.

ACTION:

The above is submitted for your information.

WAS

Q

THE DIRECTOR

November 5, 1953

MR. D. M. LADD

ABRAHAM BROTHMAN
ESPIONAGE - R
Bufile 100-365040

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/20/83 BY SP5/STP/STP
12/13/88 3042 RUT/STP

Gregory

In connection with an article in the New York Herald Tribune dated November 4, 1953, it was stated that representatives of the McCarthy Committee had obtained a new statement from Harry Gold in which Gold stated that Abraham Brothman "was his contact." The article also set forth that Brothman and Miriam Moskowitz were charged with conspiring to concoct a story to throw the FBI "off the track" and defeat justice in the espionage investigation. You asked for the facts concerning this matter.

Elizabeth Bentley in the Fall of 1945, informed us that Abraham Brothman had been turned over to her in 1940 for handling by Jacob Golos, her Soviet superior. Brothman was furnishing data on industrial projects. After a short period, Brothman was turned over to another Soviet superior and Bentley last contact with him. Brothman was interviewed by Bureau agents on May 22, 1947, and after first denying he knew Golos or Bentley, he later admitted knowing them and furnishing blueprints to Golos through Bentley and later Harry Gold. Brothman alleged Gold was a representative of Golos. On July 22, 1947, Brothman was called before a Federal grand jury in New York City where he testified to substantially the same information. Gold was also interviewed by us at that time and substantiated the statements made by Brothman.

On May 22, 1950, Harry Gold admitted that he was the Soviet superior of Abraham Brothman but that his previous statements to the agents were false in that his contacts with Brothman were at the direction of a Soviet official, Semen N. Semenov. Gold furnished detailed information concerning his relationship with both Brothman and Semenov. Gold admitted that at the request of Brothman and Miriam Moskowitz, he had testified to the false story in 1947 before a grand jury.

NOV 12 1953

EJL:am
Attachment

165-56402-
NOT RECORDED
191 NOV 9

100-365040-527

The Criminal Division in 1950 informed us that there was not sufficient evidence on which to base an espionage charge against Brothman for the transmittal of information relating to the national defense during war time. The Criminal Division did authorize prosecution against Brothman and Moskowitz for conspiracy to obstruct justice and for influencing a witness before a grand jury. Brothman and Moskowitz were convicted and on November 22, 1950, Brothman was sentenced to five years' imprisonment and \$5,000 fine on one count, and two years' imprisonment and \$10,000 on another count. The first count was reversed by the United States Court of Appeals on July 26, 1951. Moskowitz was sentenced to serve two years and to pay a fine of \$10,000. Both Brothman and Moskowitz have served their sentences.

On November 4, 1953, the Bureau received a copy of a report from the Warden of Lewisburg setting forth his recollection of Gold's interview by McCarthy Committee investigators and enclosing copies of two affidavits submitted by Gold to them. The warden advised that Gold was requested by Roy Cohn to submit an affidavit for Senator Jenner concerning his knowledge of one Shura Swan (also known as Alexander Svenchansky), who had been dismissed from the United Nations. Gold submitted two affidavits concerning Swan pointing out he heard of this individual through Abraham Brothman. Gold identified Brothman as "one of my sources of information for the Soviet espionage organization of which I was a courier." The interview of Gold by McCarthy Committee investigators did not exceed fifteen or twenty minutes.

Information obtained by the McCarthy Committee from Gold concerning Swan (Svenchansky) is fully set out in a copy of memorandum from Mr. Belmont to Mr. Ladd dated November 5, 1953, which is attached hereto. Gold did not furnish any information to McCarthy Committee investigators which was not previously known to the Bureau.

ACTION

None. For your information.

D. M. Ladd

November 5, 1953

A. H. Belmont

ALEXANDER SVENCHANSKY, with aliases
Alexander Svintchansky; Alex Svenchansky;
Alexander Suen; Shura Suen
SECURITY MATTER - C

12/12/81 3042 hwt/jb
ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/20/83 BY SP5 rjg/tcy

SYNOPSIS:

In a "Washington Evening Star" article dated 11-5-53, information was set out that Robert Morris of the Senate Internal Security Subcommittee stated that his Committee had a sworn affidavit from Harry Gold in which Gold stated he had once interceded for Svenchansky with his superiors in a Russian spy ring. The Director inquired whether this was new information. It is not new.

Harry Gold advised on interview on 6-2-50, and 8-3-50, that on two occasions (1942 and 1946) Abraham Brothman complained to him because Svenchansky had been fired by Amtorg. In 1942 Brothman wanted Gold to get Svenchansky his job back for him and Gold said he would see what he could do. Gold later mentioned this matter to his Soviet superior, Semen M. Semenov, and was told to mind his own business. Gold during 1942 was contacting Brothman at the instruction of Semen M. Semenov.

Gold said he got the impression from Brothman that Svenchansky had first introduced Brothman to an Amtorg employee to do industrial espionage. Brothman on interview 5-29-47, stated Jacob Golos originally came to him in 1938 or 1939 for blueprints. Gold on interview 5-22-50, advised he believed Golos was Brothman's first contact with the Soviets. Svenchansky on interview on 11-16-50, and before the Senate Internal Security Subcommittee on 10-29-53, denied introducing Brothman into Russian espionage. Svenchansky employed at Amtorg in New York City from 1932 to 1942; from 1942 to 1945, he was in the U.S. Army; from 1946 to 1952, he was employed by the U.N. Investigation of Svenchansky failed to establish that he was engaged in Soviet espionage. He is on the Security Index. Sworn affidavits of Gold in this matter dated 10-29-53, and 10-30-53, set out verbatim.

RECOMMENDATION:

None. For your information.

DETAILS:

Reference is made to the article captioned "Greenglass' Lawyer Denies McCarthy Got New Radar Spy Data" in 11-3-53, edition of the "Washington Evening Star." The following paragraph is quoted from the above article:

"Robert Morris, counsel for this group, (Senate Internal Security Subcommittee) quoted the imprisoned atom spy Harry Gold as saying in his second sworn affidavit in four days that he once interceded for Svenchansky with superiors in a Russian spy ring."

The Director inquired as to whether this was new information. It is not new.

During interviews of Harry Gold on 8-2-50, and 8-3-50, he advised that in March, 1942, he had a conversation with Abraham Brothman in New York City. At this time Brothman advised Gold that his friend, Shura Swan, subsequently identified as Alexander Svenchansky, had worked for the Soviet Union and had been laid off recently by them. Gold said he got the impression from Brothman that Swan had worked for Amtorg and that Swan was the man who first introduced Brothman to another Amtorg employee who then induced Brothman to engage in industrial espionage. At this time Brothman asked Gold to see what, if anything, he could do to get Swan's job back for him at Amtorg. Gold said he told Brothman he would do what he could in this respect, but at the time he said he had no intention of doing anything about this since Brothman's story about Swan and his discharge did not ring true. Gold explained that the part that did not sound accurate was principally Brothman's request for Gold, a mere underling, to see what he could do for Swan when Swan undoubtedly should have been able to help himself had he been the individual who was responsible for securing and developing Brothman for the Soviets as Brothman claims Swan did. Gold said that later on he had mentioned this matter to his Soviet superior, Semen M. Semenov, and was told by Semenov in so many words to mind his own business and to tell Brothman that Semenov said for him to get a job in the United States Rubber Company. In late 1942 or early 1943 Gold, during a meeting with Brothman at which Swan was mentioned, conveyed Semenov's message to Brothman.

In June, 1946, Brothman told Gold that Swan had been "kicked out on his ear" by Amtorg on at least two occasions. It should be noted that during 1942 Gold was contacting Brothman at the instructions of his Soviet superior, Semen M. Semenov.

On interview on 5-29-47, Brothman advised Bureau agents that Jacob Golos originally came to his office in 1936 or 1939 and requested blueprints of certain products on which Brothman was then working. Thereafter, Brothman turned over various blueprints to Elizabeth Bentley and Harry Gold. Gold on interview on 5-22-50, advised that to the best of his knowledge, Golos was Brothman's first contact with the Soviets. Suenchansky on interview on 11-16-50, admitted acquaintance with Brothman, but denied introducing him into Russian espionage. Suenchansky was called before the Senate Internal Security Subcommittee on 10-29-53, and denied introducing Brothman to anyone for espionage purposes.

Suenchansky was born in Russia in 1909. He entered the United States in 1929 and was naturalized in 1929. He was employed by the Amtorg Trading Corporation in New York City from 1932 to April, 1942, and from May to December, 1942, by the Soviet Government Purchasing Commission in Washington, D. C. He served in the United States Army from December, 1942 to September, 1945. He was employed by the United Nations in New York City from October, 1946 to December, 1952, when his employment was terminated after his refusal to answer questions on Communism before an earlier Senate inquiry. Investigation of Suenchansky was initiated in late 1949 because of his pro-Russian and pro-Communist attitude. Investigation failed to reveal that Suenchansky was engaged in espionage, but informants alleged he was pro-Soviet and pro-Communist. Suenchansky is on the Security Index.

Gold's sworn affidavit furnished to McCarthy Committee investigators regarding the captioned subject and dated 10-29-53, reads as follows:

Harry Gold, being duly sworn, states:

I heard of Shura Swan from a man called Abraham Brothman. Brothman was one of my sources of information for the Soviet espionage organization, of which I was a courier. I met Brothman in September of 1941. About one half year after that Brothman first mentioned Shura Swan. Brothman said that it was Shura Swan who had introduced him to Soviet espionage work. At a somewhat later date Brothman complained to me of the base ingratitude of the Soviet

espionage setup. He said that during a slack period, Swan, who was working for Amtorg, had been laid off. On a third occasion Brothman told me that he had met Swan through his wife (Brothman's wife) Naomi.

Signed

Harry Gold

Subscribed and sworn to before me this 25th day of October 1953.
G. F. Humphrey, Warden, Lewisburg Prison.

Gold's sworn affidavit furnished to McCarthy Committee investigators regarding the captioned subject and dated 10-30-53, reads as follows:

Harry Gold, being duly sworn, says:

This is the fourth occasion on which I heard of Shura Swan. Sometime in either 1942 or 1943 Abe Brothman asked me to request of my Soviet superior that a job be obtained at Amtorg for Shura Swan; this man who was my "boss" at that time I knew only as "Sam" but I have since identified him as Semen Markovitch Semenou, an employee of Amtorg and also an espionage agent. I told Sam of Brothman's request--the Russian flew into a rage and said: "Tell Brothman to keep his nose out of other people's business! And as for you, you mind yours too! We know all about this Shura Swan."

Thus chastised I was only too happy to let go of the subject. However, in telling Brothman of Sam's refusal, I softened the blow by saying merely that nothing was available at that time--for I had to keep in Abe's good graces so as to continue obtaining information from him.

At the time of asking me to intercede for Shura Swan, Abe told me that while Shura, who was loyal to the Soviet Union, had been laid off at Amtorg, there were others (presumably Americans employed at Amtorg) who secretly ridiculed the USSR, but who had been retained.

Signed

Harry Gold

Subscribed and sworn to before me this 30th day of October, 1953, at the U.S. Penitentiary, Lewisburg, Pennsylvania,
G. F. Humphrey, Warden.

Spy Case Man in Radar Job, McCarthy Reports

Sen. Joseph R. McCarthy said yesterday that Abraham Brothman, a man linked to the Julius Rosenberg spy ring, is out of Federal prison and working in a radar plant at Fort Jarvis, N. Y.

The Wisconsin Republican said he had summoned Brothman for questioning this morning at closed hearings of the Senate Permanent Investigations subcommittee in the United States Court House at Foley Square. The Senator said he was investigating an alleged spy ring at the radar laboratory at Fort Monmouth, N. J.

"The moment we heard that Brothman was free and working in a radar plant, we called the plant," Sen. McCarthy said yesterday. "It is the Techni-Plex Co., and one of his superiors said that the Brothman employed in the plant was the same Brothman who had served a sentence on a conspiracy charge."

We immediately issued a subpoena ordering Brothman to appear in closed session before us tomorrow.

A Techni-Plex Corp., listed in Fort's Register at 110 Avenue of the Americas, said it is the principal producer of electronic equipment for the United States Navy, Army, and Air Force. The company's products include radar, radio, and electronic equipment for ships, aircraft, and land forces.

Sen. McCarthy said he would call Brothman to the Senate tomorrow to question him about his work at the radar plant and his alleged involvement in the Rosenberg spy ring.

- ✓ ☒ Ladd
 - ✓ ☒ Nichols
 - ✓ ☒ Belmont
 - ✓ ☒ Clegg
 - ✓ ☒ Glavin
 - ✓ ☒ Harbo
 - ✓ ☒ Rosen
 - ✓ ☒ Tracy
 - ✓ ☒ Gearty
 - ✓ ☒ Mohr
 - ✓ ☒ Winterrowd
 - ✓ ☒ Tele. Room
 - ✓ ☒ Holloman
 - ✓ ☒ Miss Gandy
- Manigan*

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DATE 6/20/83 BY SP5/SP4/SP3
12/13/8 3042 R/S

ENCLOSURE
105-56402-1
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191 NOV 9 1953
NOV 8 1953

- ☐ Time Herald
- ☐ Wash. Post
- ☐ Wash. News
- ☐ Wash. Star
- ☒ N.Y. Herald Tribune
- ☒ N.Y. Mirror

NOV 11 1953

McCarthy

(Continued from page one)

that he had received two letters "tipping us off that Greenglass' life might be in danger and he would be open to possible pot shots while en route here."

The Senator said the other reason was that Attorney General Herbert Brownell Jr. had told him it would require a court order to get Greenglass up to New York and "advised" him to go to the prison instead. Sen. McCarthy said that Greenglass could give vital information about the Rosenberg spy ring at Fort Monmouth. N. J. Greenglass had testified against his sister, Ethel Rosenberg, and his brother-in-law, Julius, and both were executed on June 19.

Challenge by Rogers

The Senator's claim was challenged by O. John Rogers, Greenglass' attorney. Mr. Rogers accompanied subcommittee investigators to the prison last week and was present when they questioned Greenglass. He said his client had given no important "new" information on espionage.

Greenglass testified against Brownell at the latter's trial at the same time during the Rosenberg case. Senator McCarthy

lost a new attorney from him in which the late Brothman was the "contact." Brothman, who lives at 41-08 42d St., Sunnyside, Queens, and Miss Moskowitz, of 151 Eighth Ave., were charged with conspiring to concoct a story to throw the F. B. I. "off the track" and defeat justice in the spy investigation.

Sen. McCarthy's sessions, closed to the press, have always been open to his friends and relatives as observers. Yesterday's guest "observer" during the questioning of eight witnesses, including several Signal Corps employees who invoked the Fifth Amendment, was Tom Driberg, a Labor member of the British Parliament from Malden, Essex. Mr. Driberg said he was "much interested in the Fifth Amendment, because we have no such thing, not having a written constitution."

Director's Notation

— what are the facts?
H.

10/23/53
NEW YORK, N. Y.

BUREAU

GREGORY; ESPIONAGE - R. IN INTERVIEWING LLOYD H. LANDAU, FORMER COLONEL IN THE UNITED STATES MILITARY GOVERNMENT IN AUSTRIA IN 1945 CONCERNING DONALD HISS, WA, SECURITY MATTER - C; PERJURY, BUREAU FILE 100-4300, NEW YORK FILE 101-804, LANDAU VOLUNTEERED THE FOLLOWING INFORMATION: AT THE TIME HE WAS ATTACHED TO MG IN AUSTRIA THE HEAD OF THE FINANCE DIVISION FOR MG WAS COLONEL ARTHUR MARGET WHO HAD FORMERLY BEEN A PROFESSOR OF BUSINESS ADMINISTRATION AT THE UNIVERSITY OF MINNESOTA. LANDAU SAID THAT MARGET WAS A VERY CLOSE FRIEND OF HARRY DEXTER WHITE AND UPON FIRST ARRIVING IN AUSTRIA LANDAU SAID HE THOUGHT THAT SOME OF MARGET'S ECONOMIC THINKING MIGHT HAVE FOLLOWED CERTAIN SOVIET ECONOMIC THEORIES. LANDAU ADDED THAT WHEN MARGET DEALT DIRECTLY WITH THE SOVIETS, HOWEVER, HE SOON CHANGED HIS OUTLOOK. AND WAS SUCCESSFUL IN THWARTING THE RUSSIANS IN ECONOMIC AND POLITICAL MANOEUVERS. LANDAU SAID THAT HE BELIEVES MARGET TOWARD WITH WHITE TO MAINTAIN CONTROL OF THE PLATES USED TO PRINT AUSTRIAN OCCUPATION CURRENCY SINCE HE REALIZED THE ECONOMIC CONSEQUENCE TO THE UNITED STATES. LANDAU SAID HE FELT MARGET

3 - Bureau (REGULAR MAIL)
1 - NY 101-804

JFC:BI (#1)
65-14603

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/20/83 BY 3092 JPT/JS

12/13/86 5-5640

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52 NOV 9 1953
INITIALS ON ORIGINAL

ORIGINAL

72-149-100 C 100
PAGE TWO

WAS DIRECTLY RESPONSIBLE FOR THE AUSTRIAN PLATES NOT FALLING INTO RUSSIAN CONTROL AND FEELS THAT GENERAL MARK CLARK WILL CORROBORATE THIS FACT. LANDAU SAID THAT CLARK THOUGHT HIGHLY OF MARGET AND TOOK INTO MOSCOW WITH HIM WHEN CLARK MADE A TRIP THERE TO CONFER WITH THE SOVIETS. LANDAU SAID HE FELT THAT MARGET KNEW ALL THE DETAILS CONCERNING THE ATTEMPT TO OBTAIN THE PLATES FOR AUSTRIAN OCCUPATION CURRENCY AND ALSO CONCERNING THE TURNING OVER OF THE PLATES FOR GERMAN OCCUPATION CURRENCY TO THE SOVIETS. LANDAU SAID HE BELIEVED THAT MARGET WAS IN SOME WAY CONNECTED WITH THE MARSHALL PLAN IN PARIS AFTER THE WAR AND HE HAS SINCE RETURNED TO THE UNITED STATES, BUT LANDAU DOES NOT KNOW HIS PRESENT WHEREABOUTS. NEW YORK FILES REFLECT INFORMATION CONCERNING ONE ARTHUR WILLIAM MARGET, E. R. P., NEW YORK FILE 124-96, WHICH IS INCOMPLETE AND IT IS NOT KNOWN IF HE IS IDENTICAL WITH THE MARGET MENTIONED ABOVE. THIS INFORMATION IS BEING SUBMITTED TO THE BUREAU IN THE EVENT THE BUREAU IS DESIROUS OF LOCATING AND INTERVIEWING MARGET CONCERNING THE AUSTRIAN AND GERMAN OCCUPATION CURRENCY PLATES.

BOARDMAN

SAC, Washington Field (65-5428)

November 6, 1953

Director, FBI (101-4053)

HARRY DEXTER WHITE
ESPIONAGE - R

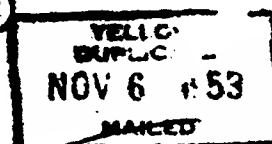
ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/20/83 BY SP5/ryh/ty
12/12/88 3042 PWT/PS

In an air-tel dated October 28, 1953, captioned "Gregory, Espionage - R," a copy of which is attached for the Washington Field Office, information from Lloyd H. Landau was set forth. Landau said Arthur Marget had been the head of the Finance Division for the American Military Government in Austria, and Landau believed Marget fought with White in order to keep the currency plates used in printing Allied occupation money in Austria from being turned over to the Soviets.

The Bureau file on "Arthur William Marget, European Recovery Program," reflects he was employed as a Lieutenant Colonel in the army and was in Austria when relieved from active duty on August 31, 1946. It would appear that he is identical with the individual mentioned by Landau. The investigation we conducted under the European Recovery Program does not reflect any derogatory, disloyal information concerning Marget other than the fact that his wife's father, Doctor Samuel George Paulo, was a member of the Communist Political Association in June, 1945, and had been a member of a number of Communist front organizations, including treasurer of the National Council of American Soviet Friendship in February, 1950. The Bureau's file on Marget reflects a communication from the Civil Service Commission dated January 1, 1953, which gives his title as Director, Division of International Finance, Board of Governors of the Federal Reserve System, in Washington, D. C. You will also note that Landau believed Marget had returned to the United States from Paris, France. The Washington Field Office should determine Marget's present whereabouts and interview him concerning any information he has relative to activities on the part of Harry Dexter White which relate to turning over printing plates used on Allied occupation currency in Austria to the Soviets. In the event it is determined that Marget is not now in Washington, D. C., an appropriate lead should be set forth to have him interviewed.

cc 2 - New York (101-804)

RJL:awn



cc - Bufile 65-56402

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Belmont _____
Clegg _____
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Winterrowd _____
Tele. Room _____
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Miss Gandy _____

NOV 13 1953

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DIRECTOR

November 6,
1953

J. M. LADD

(Gregory)

HARRY DEXTER WHITE
ESPIONAGE - R

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

Pursuant to your request, attached hereto
is a copy of the letter dated February 1, 1946,
which the Bureau directed to Brigadier General
Harry Hawkins Vaughan, Military Aide to the President,
The White House, Washington, D. C. Also attached
is a copy of the detailed memorandum which was
furnished as an attachment to the letter. A
handwritten notation appears on the yellow copy
of this letter in the files of the Bureau that
the letter and attachment were personally delivered
by our liaison representative on February 4, 1946.

(65-56402-93)

ACTION:

Classified by *3042 PWT/PS*
Declassify on: OADR

None. This is pursuant to your request.

This attached memo
is dated Feb. 1, 1946.
Is this the same as re-
ferred to as memo dated
Feb. 4, 1946 in recent memo
we sent A. G.

H

1. Also what do your records
show re delivery of attached

Attachment memo to White House. I note
101-4053 it was designated for delivery b7D
SBD, sub by "Special Messenger".

1 ENCL

- Tolson
- Ladd
- Nichols
- Belmont
- Mohr
- Winterrowd
- Tele. Room
- Holloman
- Gandy

DECLASSIFIED BY *3842 PWT/PS*
ON *11/24/89*

Re 101-4053-451

165-56402
NOT RECORDED
191 NOV 19 1953

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February 1, 1946

ALL INFORMATION CONTAINED
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EXCEPT WHERE SHOWN
OTHERWISE

Brigadier General Harry Hawkins Vaughan
Military Aide to the President
The White House
Washington, D. C.

~~PERSONAL AND CONFIDENTIAL~~
~~BY SPECIAL MESSENGER~~

3042 RWT/JS 12/13/1
6/15/83 SRS/JS
Classified by
Declassify on: OADR

Dear General Vaughan:

As of interest to the President and you, I am attaching
a detailed memorandum hereto concerning Harry Dexter White,
Assistant Secretary of the United States Treasury Department.

As you are aware, the name of Harry Dexter White has been
sent to Congress by the President for confirmation of his appoint-
ment as one of the two United States delegates on the International
Monetary Fund under the Bretton Woods agreement. In view of this
fact, the interest expressed by the President and you in matters of
this nature, and the seriousness of the charges against White in
the attachment, I have made every effort in preparing this memorandum
to cover all possible ramifications. As will be observed, informa-
tion has come to the attention of this Bureau charging White as
being a valuable adjunct to an underground Soviet espionage
organization operating in Washington, D. C. Material which came
into his possession as a result of his official capacity allegedly
was made available through intermediaries to Nathan Gregory
Silvermaster, his wife, Helen Witte Silvermaster, and William
Ludwig Ullmann. Both Silvermaster and Ullmann are employees of
the United States Treasury Department, reportedly directly under
the supervision of White.

The information and documents originating in the Treasury
Department were either passed on in substance or photographed by
Ullmann in a well-equipped laboratory in the basement of the
Silvermaster home. Following this step, the material was taken to
New York City by courier and made available to Jacob M. Golos, until
the time of his death on November 27, 1943. Golos, a known Soviet
agent, delivered this material to an individual tentatively
identified as Gaik Ovakimian. Ovakimian you will recall was
arrested some years ago as an unregistered agent of the Soviet
Government and subsequently by special arrangements with the
Department of State, was permitted to return to the U.S.S.R.

Tolson _____
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Winterrowd _____
Tele. Room _____
Holloman _____
Sizoo _____
Miss Gandy _____

DECLASSIFIED BY 3042 RWT/JS
ON 1/24/89
REL 161-4053-751

ENCLOSURE


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After the departure of Gaik Ovakinian, Golos delivered his material to an individual who has been tentatively identified as Dr. Abraham Benedict Weinstein. Subsequent to the death of Golos, the courier handling material received from the Silvermasters and Ullmann delivered it through an unidentified individual to Anatole Borisovich Gromov, who until December 7, 1945, was assigned as First Secretary of the Soviet Embassy, Washington, D. C., when he returned to the U.S.S.R. Gromov had previously been under suspicion as the successor to Vassili Zubilin, reported head of the NKVD in North America, who returned to Moscow in the late Summer of 1944. This whole network has been under intensive investigation since November, 1945, and it is the results of these efforts that I am now able to make available to you.

I also feel that it is incumbent upon me at this time to bring to your attention an additional factor which has originated with



This source, which is apparently aware of at least some of the charges incorporated in the attached memorandum against White, commented that the loyalty of White must be assured, particularly in view of the fact that the U.S.S.R. has not ratified the Bretton Woods agreement. Fear was expressed that facts might come to light in the future throwing some sinister accusations at White and thereby jeopardize the successful operation of these important international financial institutions. (S)(U)

I thought you would be particularly interested in the above comments,  (S)(U)

With expressions of my highest esteem, .

Sincerely yours,

Attachment

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HARRY DEXTER WHITE

ALL INFORMATION CONTAINED
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EXCEPT WHERE SHOWN
OTHERWISE

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6/15/83
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3042 PWT/JS
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Ref 101 - 4053-451
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February 1, 1946

HARRY DEXTER WHITE

~~CONFIDENTIAL~~

The purpose of this memorandum is to relate all of the information available at this time concerning Harry Dexter White, his activities and contacts in order that an over-all picture may be available for review, action or future reference. This information has been received from numerous confidential sources whose reliability has been established either by inquiry or long-established observation and evaluation. In no instance is any transaction or events related where the reliability of the source of information is questionable. It is with these factors in mind that the following material is set forth.

ORIGINAL CHARGES

Through a confidential source, the activities of Harry Dexter White, present Assistant Secretary of the Treasury, first became apparent in the latter part of 1942 or the early part of 1943. At that time, this source was in direct contact with Nathan Gregory Silvermaster, his wife, Helen Witte Silvermaster, and William Ludwig Ullmann, all of whom for several years have resided at 5515 Thirtieth Street, N. W., Washington, D. C. Both Nathan Gregory Silvermaster and William Ludwig Ullmann were then and are now, employees of the United States Treasury Department. Mrs. Helen Witte Silvermaster is unemployed.

Through comments made by Silvermaster, his wife and Ullmann, the source learned that White was supplying them with information consisting of documents presumably obtained by him in the course of his duties as Assistant Secretary of the United States Treasury Department. The source in this regard recalls definitely having seen documents at the Silvermaster residence, which documents were brought there for Silvermaster or Ullmann, both of whom received the material from White. As concerns the nature of this material supplied by White, the source states that it consisted of reports of a varied nature concerning the financial activities of the United States Government, particularly if they related to foreign commitments. Also various memoranda and reports from other Governmental departments and agencies were made available through these channels. These documents had usually been reduced to photographs by the time they were observed by the source but on occasions this source had the opportunity of viewing the original documents themselves. Suffice it to say, during the investigation of these charges, it was learned that a complete photographic laboratory exists in the basement of the Silvermaster home sufficiently well equipped for the copying of documents. This includes an enlarger, developing equipment and all the necessary chemicals and other incidentals.

These documents whether consisting of notes taken therefrom, verbatim copies, developed photographic negatives or undeveloped photographic negatives were delivered through channels to Jacob M.

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Golos, a known Soviet agent, who died on November 27, 1943, and who was then secretary of World Tourists, Inc., a New York corporation chartered June 10, 1927. Jacob M. Golos whose real name is Jacob Baisin pleaded guilty to an indictment along with World Tourists, Inc., charging failure to register as agents of the Soviet Government in March, 1940. He received a fine of \$500 and a jail sentence of four months to one year which was later changed to probation. The source in this matter states that material collected in this particular parallel of Soviet espionage was all channelled through Golos to an individual who has been tentatively identified as Dr. Abraham Benedict Weinstein, a practicing dentist residing at 28 Fifty-third Street, New York City. Weinstein in turn passed the material to a Russian contact who in turn channelled the information to the Soviet diplomatic establishment in this country. It can logically be presumed after arrival at this destination that material of primary interest to the Soviets was forwarded to Moscow, U.S.S.R. via diplomatic code and material concerning which there was no urgency, reached that destination through the Soviet Diplomatic Pouch.

Subsequent to the death of Golos, the material gathered by the Silvermasters and Ullmann originating with White, was traced by this source through an unknown individual to Anatole Borosovich Gromov, former First Secretary of the Soviet Embassy, Washington, D. C. Suspicions had previously surrounded the activities of Gromov to the effect that he was the successor to Vassili Zubilin, reported head of the NKVD, one of the primary branches of Soviet Intelligence in North America. Zubilin returned to Moscow, U.S.S.R. in the late summer of 1944, and Gromov departed from the United States for Moscow, U.S.S.R. on December 7, 1945. From all appearances, the position previously held by Gromov to whom this material was transmitted prior to his departure, is now held by Fedor Alexeevich Garanin, an official of the Soviet Embassy, Washington, D. C.

After identifying the channel through which material from the United States Treasury Department passed from White to the Soviet Embassy, Washington, D.C., the source commented that it was apparent from conversations overheard in the Silvermaster home that White was considered one of the most valuable assets in this particular parallel of Soviet Intelligence. This view was taken since in his capacity as Assistant Secretary of the United States Treasury, those individuals whom this group was anxious to have assigned there could secure employment. Among individuals in this category are William Ludwig Ullmann, William Henry Taylor and Sonya Steinman Gold, who will be discussed in more intimate detail hereinafter. The source also reports that White was regarded as a valuable adjunct to Soviet espionage because of his close relationship with former Secretary of the United States Treasury Henry Morgenthau, Jr. and was felt to be in a position to secure favorable consideration for the U.S.S.R. in financial matters.

Following the death of Jacob M. Golos, known Soviet agent, a discussion was had between Silvermaster and his immediate superior in Soviet espionage, who has not been identified to date, as to the advisability of introducing White directly to the Russian contact to whom this unknown intermediary delivered the material originating with White. Silvermaster was not in favor of taking this action and presumably this meeting was never arranged.

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The source recalls that sometime in the summer or fall of 1943, the Silvermasters believed it desirable to have someone placed as a secretary to White in order to facilitate the obtaining of information from his office for delivery to Soviet espionage agents. As a result of these deliberations, Mrs. Helen Witte Silvermaster went to one of the Communist functionaries in Washington, D.C., and from this source secured the name of Sonia Steinman Gold. Eventually, Mrs. Gold through arrangement with White, obtained a position as one of the secretaries in the United States Treasury Department. As a result of this employment, Mrs. Gold obtained documents from White's office, which she copied and made her notes available to Mrs. Helen Witte Silvermaster. The source does not recall specifically but it is recollected the information which Mrs. Gold obtained concerned principally the Treasury Department's opinions and recommendations concerning applications for loans made by the Chinese and French Governments. It is also recalled by the source that some of this information concerned political reports regarding General DeGaulle, which found their way into White's office. The exact date of the employment of Mrs. Gold with the United States Treasury Department is not readily available; however, it is significant to note that she has been employed for a considerable period as secretary or assistant secretary to White. She was on maternity leave during the fall of 1945 and was expected to return to her employment shortly after January 1, 1946.

This source also reported the existence of another parallel of Soviet Intelligence operating within the United States Government and headed by Victor Perlo. The information gathered from the Perlo group was channelled through Jacob M. Golos and on to the Soviet diplomatic establishment in the same manner as outlined for the operation of the Silvermaster group. This is true both before and subsequent to the death of Golos on November 27, 1943. Victor Perlo as late as October, 1945, was a statistician in the War Production Board.

The source relates that because of the relationships existing between Golos and the Perlo group, another individual, namely, Harold Glasser, appeared in the picture. Glasser for a period in 1944, according to the source, was outside the United States in some capacity for the United States Treasury Department. He returned to the United States probably in the early fall of 1944, and thereafter was employed in the United States Treasury Department. It is contended by the source that Glasser was rather closely associated with White and may have served as his assistant. Glasser was able to supply general information concerning the activities of the United States Treasury Department, particularly where they concerned proposed loans to foreign countries. He also supplied information originating in the Foreign Economic Administration which had been sent to the United States Treasury Department for action or information.

The above summary of information is complete as it concerns the material known to this source regarding White.

BACKGROUND OF HARRY DEXTER WHITE

Harry Dexter White was born in Boston, Massachusetts, October 29, 1892. Since 1939 he has resided with his wife, Anne Terry White, and two daughters at 6810 Fairfax Road, Edgemoor, Bethesda, Maryland.

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During the first World War he served as a First Lieutenant in the Infantry of the United States Army and spent some time overseas during his service from April, 1917 to February, 1919. Following his return to the United States he directed the American Expeditionary Force Orphan Asylum for the period of two years. He attended Stanford University where he obtained a Bachelor of Arts degree in 1924, and a Master of Arts degree in 1925. He was awarded a Doctor of Philosophy degree by Harvard University in 1935. His legal residence is in the State of Wisconsin and he served as Professor of Economics for two years at Lawrence College in Appleton, Wisconsin. He was also an instructor in Economics at Harvard University for a period of six years.

In June, 1934, Professor Jacob Viner of the University of Chicago brought Mr. White to the United States Treasury Department to make a special study. He was employed in the Office of the Secretary of the Treasury as an economic analyst from June 20 to October 4, 1934. From October 5 to October 31, 1934, he served as Chief Economic Expert with the United States Tariff Commission. Following this, he served as Principal Economic Analyst, Division of Research and Statistics, Treasury Department, from November 1, 1934, to October 1, 1936.

It is noted that during the year 1935 he was sent to England to study economic and monetary questions. He became Assistant Director in the Division of Research and Statistics, United States Treasury Department, and served in this capacity from October, 1936 to March 25, 1938, when on the latter date he became Director of Monetary Research and continued in that position until August 5, 1941. He assumed his present position as Assistant Secretary of the Treasury, in charge of the Division of Monetary Research on August 5, 1941.

Also in this year he was entrusted with the management of the two-billion-dollar stabilization fund of the United States Treasury. Mr. White has represented the United States Treasury on the Economic Defense Board and he is also a trustee of the Export-Import Bank in Washington, D. C. He is also a member of the Government's Committee for Reciprocity Information, which Committee has been active in connection with reciprocal trade agreements with foreign countries. He accompanied (former) Secretary Morgenthau in 1943 on a trip to Italy and North Africa.

During the Bretton Woods Monetary Conference which began July 1, 1944, Harry White was the Chief Technical Expert for the United States Government and gave to the press daily summary of the Committee meetings. In September, 1944, he was instrumental in drawing up the Morgenthau Plan for treatment of Germany following World War II.

Current Biography also states that Harry Dexter White is the man behind (former) Secretary of the Treasury Henry Morgenthau's postwar maneta

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proposals, and he was the chief author of the measures under discussion at the United Nations Monetary and Financial Conference held at Bretton Woods, New Hampshire, in July, 1944.

According to Current Biography, Anne Terry White, wife of Harry Dexter White, is a writer of children's books. They have two children.

Harry Dexter White has written the following books and articles:

Some Aspects of the Tariff Question (in conjunction with Frank W. Taussig).
French International Accounts.
Ohlin's Interregional and International Trade (Quarterly Journal of Economics, August, 1934, volume 48, pages 727 to 741).
The Monetary Fund (Foreign Affairs, January, 1945, volume 23, pages 195 to 210).

COLLATERAL INFORMATION AVAILABLE PRIOR TO NOVEMBER, 1945

White was the subject of an investigation conducted in 1942, predicated upon charges by the Special Committee on Un-American Activities of the House of Representatives, at that time headed by the Honorable Martin Dies. It was charged that White was a member of the Washington Committee for Democratic Action, which had been declared a subversive organization by the Attorney General, thereby indicating a possible violation of the Hatch Act. Inquiries determined that White's name did not appear in the active indices of the Washington Committee for Democratic Action; however, it was ascertained the name of Mrs. Anne Terry White, his wife, did appear in these indices. After preliminary inquiries with no appreciable results, White himself was interviewed under oath on March 30, 1942, at which time he denied membership in the Communist Party and in the Washington Committee for Democratic Action. He likewise denied membership in any organization which he had reason to believe might be dominated by the Communist Party or the policies of which were dictated by any foreign government. The great part of the interview was the denunciation on the part of White of this type of investigation being conducted on the basis of the reports of the Dies Committee. He admitted that his wife had contributed to the League of Women Shoppers and also contributed to the Spanish Relief during the Spanish Civil War. The League of Women Shoppers is allegedly a Communist front organization and the policy of the Communist Party was to give such assistance in the form of relief and otherwise to the cause of Loyalist Spain during the Spanish Civil War.

Through the estranged wife of one of the individuals reportedly serving as a source of information for Soviet Intelligence, the names of a number of persons reportedly identified as members of the underground Communist group in Washington, D. C. were secured. Among other names was that of Abraham George Silverman, who was formerly employed by the Railroad Retirement Board and the United States Army Air Forces and is presently employed by the French Supply Council of the French Government. As incidental to the



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mention of Silverman, it was alleged that he worked through close friends who are indebted to him, including White and others. It is pertinent to note that Silverman was also prominently mentioned by the source of information on White as an important element of the Soviet espionage parallel, channelling information through the Silvermasters to the Soviet Government. Some of the material which Silverman delivered to the Silvermasters reportedly came from White. Silverman apparently was one of the main collectors of information from various officials in the United States Government and which in considerable volume, he delivered to the Silvermasters for photographing and transmittal to the Russians. This photographic work as stated hereinbefore, was done in the basement of the Silvermaster's home. William Ludwig Ulmann, who maintains mutual residence with the Silvermasters, did the actual work of photographing after training himself specially for this purpose.

Through a highly confidential source, it has been learned that



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In January, 1945, "The Federal Record," official publication of the United Federal Workers of America - CIO, reported that Local No. 11, the main United States Treasury building, had met with White, the new Assistant Secretary, to discuss a meeting for staffs of the three research divisions attached to the Office of the Secretary. White agreed that such a meeting should be held and promised to speak on the significance of the Bretton Woods agreement. It should be noted that the United Federal Workers of America - CIO is reported to have been strongly infiltrated by Communist elements and to follow and expedite the policies of the Communist Party whenever

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Through a highly confidential source, it was learned that Harriet Bouslog of the CIO Maritime Committee, made an appointment for Louis Goldblatt with White in early 1945. Goldblatt while in

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Washington, was also to see Silverman of the War Department who is believed identical with Abraham George Silverman mentioned hereinbefore. Louis Goldblatt reportedly is a member of the Special Branch of the Communist Party, San Francisco, California, and is Secretary-Treasurer of the International Longshoremen's and Warehousemen's Union of America - CIO. This is the Union of which Harry Bridges is the head. (X)(u)

During February, 1945, White served as a member of a delegation to the Pan-American Conference of Foreign Ministers at Mexico City, Mexico. According to press releases, his primary interest in attendance at this Conference was to act as an advisor on the methods of preventing Axis leaders from cashing funds in "safe haven."

In July, 1945, a clerical employee of the Passport Division of the Department of State, who was formerly employed as a clerk by the Soviet Government Purchasing Commission, was allegedly purloining certain information from the official records of the Department of State for transmittal to unknown persons. This individual had reportedly stated that he knew a man or men who would pay him \$1,000 for the information he had collected in the course of his employment. In his application for employment with the Department of State, White was listed as a reference and recommended him highly. This circumstance is being set forth in view of the allegations enumerated hereinbefore to the effect that White was considered of extreme value because of his influence in securing positions for persons who could be of assistance to Soviet espionage.

In October, 1945, it was learned through reliable sources that functionaries of the National Council of American-Soviet Friendship, Inc. were considering inviting White to be a speaker at the organization's rally scheduled for November 14, 1945, at Madison Square Garden, New York City. This organization whose objectives are to propagandize the Soviet Union is reliably reported by many sources to be completely under Communist control. Its functionaries who are responsible for its policies and the issuing of such invitations include known members of the Communist Party, numerous apologists for the Soviet Union and suspected Soviet agents.

During the investigation of Philip Jacob Jaffe, editor of "Amerasia," who was arrested in June, 1945, for the possession of documents taken from the Department of State, it was learned that he had been in frequent contact with Andrew Roth. During one of these contacts, the question was discussed as to whether one of their sources in the Treasury Department on Far Eastern Affairs would lose his position if Secretary Morgenthau were to be replaced. It was concluded that he would retain his position on the basis of his own merits and then a veiled reference was made to White who was described as "pretty widely respected." Jaffe's counter-remark to this was, "Yes, but he is pretty radical," leaving the innuendo that with the change in Secretaries of the Treasury, White might not remain in his position.

On another occasion while in contact with Roth and discussing various possible contacts for Jaffe for information from Government sources, Roth referred to David Carr, who works with

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Drew Pearson, as obtaining considerable information on Far Eastern Affairs that other individuals did not get because of his United States Treasury connections. Roth stated that Carr was seeing White once a week and spending considerable time with him.

Subsequent to the receipt of the information above, White was interviewed with respect to persons apprehended along with Jaffe for the receipt of official documents of the Department of State. He stated that he did not recall any instances where there had been leaks of information in the Treasury Department or where documents had been taken or material given to unauthorized individuals. He denied being acquainted with Jaffe but indicated that numerous persons have visited him since he has been working in the Treasury Department and it is possible that he had met Jaffe but he does not recall this meeting. He denied knowing any other principals in the Jaffe case but stated that the name of John Service, an employee of the Department of State indicated in this case, was familiar to him and he believes that Service's name was mentioned to him by Irving S. Friedman. Friedman is in fact the individual that Roth and Jaffe were discussing above as to whether he would lose his position in the Treasury Department in the event of the resignation of Secretary Morgenthau.

White stated further during this interview that Friedman was an employee in the Treasury Department handling matters dealing with monetary affairs in the Far East. He indicated that he himself had brought Friedman to the Treasury Department approximately five or six years previously at which time Friedman was working either for the British or the Italian Government on affairs in India. He contended that he had no reason whatsoever to question the integrity of Friedman. White pointed out that because of the nature of Friedman's work he must necessarily know a number of persons in the field of Far Eastern Affairs because that field in the number of informed persons is limited. Further, White stated that Friedman had authority to take papers with him to his home at night the same as other officials in the Treasury Department. It is to be noted that Friedman admitted being acquainted with Jaffe. He wrote an article for "Amerasia," of which he knew Jaffe to be editor, but declined writing similar articles after employment by the Treasury Department. Friedman also admitted acquaintanceship with Service, Roth and other individuals involved in the Jaffe case.

During the investigation of the Jaffe case, it was developed that the principals therein were reported on numerous occasions to be sympathetic with the Soviet policy as it concerns China. With this in view, documents concerning the foreign policy of this Government relating to China were those primarily desired by Jaffe for guidance in the articles appearing in his publication, which itself followed the Communist Party line.

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RESULTS OF INVESTIGATION SINCE NOVEMBER, 1945

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Investigation of White since November, 1945, has been conducted with the primary objective of proving or disproving the original charges enumerated hereinbefore. It should be realized that to prove these charges at this time when they relate to activities occurring in 1942 and 1943 is practically impossible. Certain conclusions, however, may be made possible by establishing that White is in fact acquainted with the Silvermasters, Ullmann and other individuals who, according to the source of this information, were serving a parallel of Soviet espionage assiduously during this period. Weight may also possibly be given to the establishment of facts concerning situations prevailing at the present time, such as the presence of a photographic laboratory existing in the basement of the Silvermaster home. It will be noted hereinafter there appears to be a close inter-relationship between White and the other individuals mentioned prominently as active in furthering interests of Russia. An attempt will be made not only to cover the activities of White directly with others named by the primary source of information in this matter, but to also show that White has other contacts which would tend to establish a pattern not in disagreement with the charges at hand.

Through investigation it has been learned that on November 22, 1945, the automobile of Frances L. Edelstein, 3623 Jennifer Street, N.W., Washington, D. C., the wife of Harry M. Edelstein, an Assistant Solicitor of the Interior Department, delivered individuals, presumed to be the Edelsteins, to the home of White. Information was previously available that Edelstein at one time was interested in Commonwealth College in the State of Arkansas, an institution which on many occasions has been criticised for its propagation of Communist ideals. Edelstein is also listed in the active indices of the cooperative "Keep Out of War Congress" and the Capital City Forum, organizations reported by numerous sources to be under Communist domination and influence. The name of Mrs. Harry M. Edelstein appeared on list of names of the Washington Committee For Democratic Action, an organization which was later declared subversive by the Attorney General under the provisions of the Hatch Act.

On November 24, 1945, Colonel Bernard Bernstein, 3003 Albermarle Street, N.W. Washington, D. C., visited at White's residence for some period of time. On November 26 and 27, 1945, White proceeded to the home of Colonel Bernstein, 407 Battery Lane, Bethesda, Maryland, where he presumably spent a good portion of both evenings. It will be noted that Lieutenant Colonel Bernstein, prior to the war, was Assistant General Counsel of the United States Treasury Department. He has been employed by this

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Department since December, 1933, and on January 27, 1943, was detailed to the War Department where he received a commission of Lieutenant Colonel in the United States Army. Other contacts between Lieutenant Colonel Bernstein and White will be discussed hereinafter.

On November 28, 1945, White, during the evening, visited the residence of Drew Pearson, the well-known columnist, at 2820 Dumbarton Avenue, Washington, D. C. He spent the evening at this address and departed in the company of several individuals who were guests for the evening.

In early December, 1945, White proceeded to New York City for the purpose of having certain dental work done and to make certain contacts. It was reported by a highly confidential source that on December 6, 1945, White was in contact with his wife from New York City, at which time he advised he was staying with Dr. Abraham Wolfson of Newark, New Jersey. It is known that while visiting the Wolfson family White took this opportunity to view certain real property in New Jersey with a view to its purchase. After his return to Washington, White is known to have stated on one occasion that one of his purposes in traveling to New York was to see a number of reporters. (S)(u) RE

Later in the investigation, it was learned that Dr. Abraham Wolfson was in Washington, D. C., on December 29, 1945, and that he is a divorced brother-in-law of Mrs. Harry Dexter White. Information was available prior to the present inquiries that Dr. Abraham Wolfson, 31 Lincoln Park, Newark, New Jersey, was listed as a member of the Washington Committee For Democratic Action in 1940. Dr. Wolfson was born on April 24, 1894, at Odessa, Russia, and is by profession a dentist, practicing at Medical Towers, 31 Lincoln Park, Newark, New Jersey. He has been a practicing dentist for many years.

Dr. Wolfson, in May, 1934, was divorced by his wife, Mrs. Ruth Terry Wolfson, 33 Washington Street, East Orange, New Jersey, an instructor in the Teachers College, Columbia University, New York City. Dr. Wolfson secured his American citizenship through derivation as a consequence of his father's naturalization during his minority. He has been reported by numerous sources as having had frequent and close contact with numerous Communists in the State of New Jersey.

In early 1944, a highly confidential source advised that Dr. Wolfson was as of that time a member of the Third Ward Branch of the Communist Party, and that he had been active in Communist Party activities for the preceding seven years under the name A. Wilson Street. Further reports allege that Dr. Wolfson has held Communist Party meetings at his office, and that he has contributed financially to the Party and to various Communist front organizations which he is well able to do with his declared earnings of \$21,000 per annum.

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On December 13, 1945, it was learned through a highly confidential source that Nancy Strauss of the League of Women Shoppers was in contact with Mrs. Anne Terry White at which time she requested the latter to write a protest to Lansburgh's Department Store concerning the refusal to serve colored people at the lunch counter after the end of the war after having served them during the war. Mrs. White agreed that she would write this protest. It will be recalled that previously herein White admitted that his wife had contributed to the League of Women Shoppers. Further information is available that the name of Mrs. Anne White appears on an official list of the Washington League of Women Shoppers, an organization alleged to be a Communist front. (X) ad

Numerous contacts on the part of White during early December were noted between White and Lee Pressman, 4619 Norwood Drive, Bethesda, Maryland, General Counsel for the National Congress of Industrial Organizations (CIO), and Colonel Bernard Bernstein mentioned hereinbefore. Subsequent investigation revealed that White and Pressman alternate in taking each other to work in their personally owned automobiles, their places of employment being in near proximity to each other.

On December 12, 1945, White accompanied an individual to the vicinity of 3210 P Street, N. W., which is the residence of Alger Hiss. Alger Hiss, for some time, has held a high position with the Department of State and was Secretary General to the United Nations Conference on International Organizations held in San Francisco, California, in 1945. He recently attended the UNO Conference in London, England, and he still holds his position with the Department of State.

Reference is made to the Perlo group mentioned under the original charges set out hereinbefore. The same confidential source reported Hiss as working for a parallel of Soviet espionage, the details of which she could not furnish. However, it was pointed out that Harold Glaseer, who had formerly submitted his information through Perlo to Jacob M. Goles and his successors, later worked under the guidance of Hiss, who subsequently placed Glaseer and others working under his supervision in direct contact with the Russians. As the matter was related, Hiss appeared to be a very influential element in the Soviet espionage network operating from within the United States Government.

On December 14, 1945, it was learned the Whites invited Nathan Gregory Silvermaster and his wife to their residence on that evening. The Silvermasters again visited the residence of White for the evening on December 23, 1945.

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On December 15, 1945, White and his wife visited at the home of Maurice Halperin at 9956 Georgia Avenue, Silver Spring, Maryland. Halperin is an employee of the Office of Strategic Services assigned to the Library of Congress since October 2, 1941. As of January, 1945, Halperin was the head of the Latin-American Division in the Research and Analysis Section of the Office of Strategic Services, which Section has now been transferred to the Department of State. According to the confidential source making the original charges set out hereinbefore, Halperin was formerly a professor of Romance Languages at Oklahoma University. He was a member of the Communist Party, according to this source, during his stay in Oklahoma and on arrival in Washington, D. C., made contacts to re-establish himself with the Communists. In the latter part of 1942, he was placed in direct relationship with a Soviet espionage courier who secured from him information which was passed through Jacob M. Golos and his successors to the Soviet Government.

On December 14, 1945, it was learned through a highly confidential source that Mrs. Helen Witte Silvermaster was in contact with Mrs. White on a purely personal matter. On December 15, 1945, Nathan Gregory Silvermaster was also in contact with Mrs. White, at which time the former learned that White was ill. The purpose of the relationships existing between the Whites and the Silvermasters enumerated hereinbefore definitely proves a close affiliation and establishes that part of the allegations made hereinbefore concerning the acquaintanceship between these two families.

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As early as December 6, 1945, the name of Frank Coe, Assistant Administrator of the Foreign Economic Administration, became apparent in this investigation. At that time White referred his wife to Coe to secure certain personal information incidental to his position. It is known also that White on at least one occasion stopped by the home of Virginus Frank Coe, 2700 - 36th Street on his way to work and picked up individuals at that address.

It has been determined that Coe resided in Toronto, Canada, from 1934 to 1939. Exact details of his employment since the latter date have not yet been revealed by inquiries.

On December 15, 1945, White and his wife visited the home of Maurice Halperin at which time Frank Coe and his wife were also guests.

Information has recently been developed from the source responsible for the original charges herein that Frank Coe was also one of the minor individuals who was supplying information to the Silvermasters and thence through channels to the Soviet Government. The reports which Coe made came to the Silvermasters in Washington, D. C., by letter, since during the pertinent period that is up to the fall of 1944 Coe was in Latin America. It was the opinion of this source that Coe also sent information to Harry White and gave White material while he, Coe, was in the United States which eventually found its way to the Silvermasters. The nature of the material made available through Coe is not known but he was considered a minor figure. In view of Coe's employment with the Foreign Economic Administration, it may well be that he was with that organization in Latin America and necessarily had to make his reports by mail either through White or direct to the Silvermasters.

Mention was made hereinbefore of contacts between White and Lee Pressman, General Counsel, CIO, Washington, D. C. At the outset it should be noted that Pressman has held his position since 1935. He attended Cornell University and Harvard University Law School, graduating from both institutions. From 1929 to 1933 he was employed as an attorney in New York City and entered upon employment with the Federal Government in 1933. He remained with the United States Government for a considerable period. Pressman, according to confidential sources, was listed in the active indices of the National Federation for Constitutional Liberties and on the mailing list of the Washington Book Shop. His wife, Sophia Pressman, according to these same sources, was listed in the active indices of the Washington Committee for Democratic Action, the National Federation for Constitutional Liberties, the American Peace Mobilization and was serving as Vice Chairman of the American League for Peace and Democracy when it disbanded in 1940. All of the above-mentioned organizations have been reported from substantial sources as being under strong dominance of the Communist Party.

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Through a highly confidential source it was learned in September, 1941, that when Jack Kling came into the Communist Party in Chicago, Illinois, to receive instructions for his assignment to a new job in the Party, he received several letters from local officials for delivery to Communist Party officials in New York, one of which was addressed to Lee Pressman of the CIO. At or about this same time it was also learned from a confidential source that Lee Pressman had sponsored a number of workers of the Anaconda Copper Company, Butte, Montana, for membership in the Communist Party. (S)(U) rel

From a previous Communist Party member of some prominence who ceased his activities in 1937, information was received concerning organizations of the Communist Party in the United States Government, Washington, D. C. This organization was organized as an underground group and headed by Harold Ware who established underground headquarters in Washington. This source states definitely that one of the converts of this group was Lee Pressman, then employed in the Agricultural Adjustment Administration and who later went with the CIO on direct advice of the Communist Party inasmuch as it was considered important for him to be John L. Lewis' right-hand man. (S)(U) rel

It was further ascertained that Pressman on December 14, 1939, was at the Cook County, Communist Party Headquarters, Chicago, Illinois, waiting to see Morris Child, a well-known Communist Party functionary. On January 5, 1940, Pressman attended a meeting of the Illinois Communist functionaries at Communist Party Headquarters. (S)(U) rel

On March 22, 1944, through a confidential source it was determined that Pressman conferred with Roy Hudson, National Committee member of the Communist Party, in the latter's private room several times during the National CIO Convention held in Philadelphia in November, 1943. From another source in corroboration of this statement it was reported that Pressman is a member of the Communist Party and he received instructions at the CIO convention in Philadelphia from Roy Hudson and followed these instructions implicitly. (S)(U) rel

Most recent investigation of White reflects that he attempted to get in contact with Pressman on December 29, 1945. On the following day White did, in fact, contact Pressman at which time Pressman was asked whether the response had been favorable. The latter indicated in the affirmative but something apparently had gone wrong in White's direction since Snyder had been in contact with Philip Murray, President of the CIO, and wanted to see him Monday. Pressman promised to contact White concerning this whole affair and White invited Pressman and his wife to come to his home that evening. (S)(U) rel

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On December 31, 1945, White again contacted Pressman at which time the latter stated that Snyder had been in contact with Murray that same day and had agreed to go ahead with the appointment of the panel. To White's question as to whether this was good or bad, Pressman stated that it meant that all efforts at mediation or collective bargaining were stopped. White commented that the recommendation apparently had no effect to which Pressman assented because it meant that the parties concerned appeared before a panel, started calling each other names, raised the whole business of ability to pay and would create the same impression as efforts in connection with General Motors. Pressman then referred to calling on Secretary of Labor Lewis B. Schwellenbach that same day at the Naval Hospital where he was undergoing treatment. Pressman indicated that Schwellenbach tried to find out from him exactly what was going on. White was amused by this and Pressman then added that Schwellenbach knows absolutely nothing. Pressman then continued that he had told Schwellenbach the whole story concerning Snyder's call and the latter indicated that he was going to contact the President and determine if he could have them (apparently labor and industry) hold further action until he, Schwellenbach, got back to see the President. (S) (u) rel

Reference was then made to an announcement which might be issued the following day which, if it did not appear, was because Schwellenbach had held the matter up. White, during this whole conference, appeared to be very interested in the activities behind the scene concerning negotiations between the CIO and strikes then pending and further from the comments made by Pressman, was obviously in the confidence of the latter. (S) (u) rel

On January 2, 1946, Pressman informed White that he had received information that the President was calling a conference for the next day which was to include Bowles, Henry W. Wallace, Secretary of Commerce and Snyder on the whole situation and the steel industry in particular. Pressman indicated that he wished there was some way of making Wallace make a real fight for the first time in his life on what had to be done on the situation; further the whole affair seemed to be deteriorating so fast that fact finding was a farce. He continued that the whole strike issue had to be settled with a substantial increase. White inquired as to the time of the prospective meeting which Pressman apparently did not know at that moment. White further inquired of Pressman as to what he had to suggest and the latter indicated that White knew Wallace better and consequently was in the position to answer his own question. Pressman urged that White should try to see Secretary Wallace the next day and point out to him the bad condition of the whole situation and indicate that it was connected with the meatpacking problem which in turn is related to the whole farm bloo. Pressman was apparently very much concerned that the strike situation was getting out of hand. (S) (u) rel

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White endeavored to secure from Pressman the subjects for discussion the following day. The latter did not know specifically but was of the belief that some pressure would be put on Bowles to do something for the steel industry. Pressman indicated that what should be done is this: if the strike runs its course the way it has been outlined, it will be perfectly meaningless because the steel industry will get a small price increase. To get action the administration should call in the top officials and set a deadline for final settlement, taking a strong stand that this settlement should come before January 14. He then pointed out that if the steel industry could be cracked by labor, labor would then be able to run the gamut of cracking every other industry. White inquired of Pressman as to whether it was permissible for him to mention that he had heard anything concerning this matter. Pressman stated this was permissible since it had come through a third party through the Office of Price Administration. This apparently had reference to the prospective price raise on steel. (S) (u)

Considerable attention was given during this contact to the possibility of securing a wage increase for the steel industry without a price increase. Pressman pointed out to White that the steel industry would have to have a price increase and that it would not necessarily follow that all other industries would have to have a price increase also. Pressman was most adamant that it was possible to have a price increase on steel without affecting the automobile industry and other industries since the price of steel has been frozen since 1937, while other steel consuming industries have their price frozen as of 1942. White concluded by stating that he would perhaps try to see Wallace the next morning. Pressman then advised White that he would arrive, presumably in Washington, the next morning and White inquired as to whether he was apt to be effective in his program. Pressman was not optimistic unless Wallace called him and added that he thought Wallace would be free to talk with Philip Murray then and go to the White House later. (S) (u) rel

The question was then raised by White as to whether the situation would not in fact mean that a commitment, presumably from OPA, should be secured on the price raise on steel without similar action in other industries before settling the strike. Pressman pointed out that it would have to be a simultaneous affair, that is the settlement of the strike in return for the Government's concession to raise the price of steel. White indicated that if President Truman was going to authorize an increase in the price of steel it doesn't seem reasonable that this would be done without having the union's demands acceded to for a raise in wages. Pressman continued that the President was under pressure (S) (u)

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from industry and was trying appeasement and further that the amount of the wage increase must be determined as satisfactory to the unions since the price increase will have to be made incident thereto, otherwise the administration will find itself with a strike still on its hands. White inquired as to how they would find out the solution and Pressman added only by dealing directly with Philip Murray. He made the gratuitous comment that he had never known of an impasse of this description - where everything was going to the dogs and the White House had not even talked with other heads of the labor unions - not only that, but his assistants, neither Steelman nor Snyder, had been in contact with the unions. (X) u

Arrangements were made that Pressman would ride to work the following morning with White. It was not apparent during the above contact as to why Pressman was discussing this whole situation on an intimate level with White, Assistant Secretary of the United States Treasury. (X) u

There have been several other contacts between Pressman and White but none of particular significance with the possible exception that Pressman contacted White on January 29, 1946, and asked him whether he was aware of the fact that his superior, presumably the Secretary of the Treasury, had seen Fairless, presumably head of United States Steel, the day previous. White indicated that this was not known to him and commented "You may find out during the day what happened, if anything." White answered in the affirmative but was noncommittal concerning the supplying of the results of this conference to Pressman. (X) u

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With further reference to Colonel Bernard Bernstein, it was developed that he was in contact with White on December 17, 1945. Colonel Bernstein indicated that he was interested in getting all of the Nazi property away from the Nazis and selling it to desirable people in Germany. To White's question as to what would be done with the cash, Bernstein indicated that it would be held under the control of the United States Treasury - the main thing was to remove from the Nazis the control of property in Germany. Bernstein also indicated he was being released from the Army soon, and there was a vague discussion of a position which he had under consideration with the conclusion that he, Bernstein, would be better off in the Treasury at \$10,000 a year. It was also obvious that White was going to take up the question of Bernstein's status with the Secretary of the Treasury. White again was in contact with Bernstein on December 18, 1945. The latter told White that Donald Hiss, who is the brother of Alger Hiss mentioned hereinbefore, had contacted him and advised the Polish Government was still looking for an adviser. He stated that Ludwig Rajchman of the Polish Mission had been in to see him. Bernstein was interested in the caliber of the individual desired by Rajchman. White indicated that Rajchman needed an individual to do the kind of things Bernstein could do for him and the kind of things that George Silverman was doing for the French. Bernstein was desirous of advice as to which crowd Rajchman represented and White indicated "the crowd that is in." White continued by stating that the Polish Ambassador needed three men - a fellow like Bernstein in many ways could be used and a fellow like Silverman to get the Economic and Purchasing Commission in order. White did not know how much money the Polish Government had to spend and added that he had to see Rajchman in the near future. White also wanted advice as to what the next move by Hiss would be, but Bernstein either could not or would not advise on this question. (X) (U)

Bernstein apparently was not interested in the Polish proposition on a full time basis, to which White agreed, saying that if the Poles wanted aid they would have to pay fully because they have a very difficult job. Discussion was then had as to how White and Bernstein could use this proposition to fit in with their other plans and White stated that he would have a definite suggestion along that line the next day. (X) (U)

Various details of the establishment of an office, presumably for Bernstein, were mentioned and White indicated that they, meaning himself and Bernstein, had to have an office anyway because of discussion White was having with Secretary of the Navy Forrestal the following day and that one could not talk without an office. Bernstein indicated that he had received a call previously from Governor Lehman of UNRRA and the Honorable Robert H. Jackson, Associate Justice of the Supreme Court of the United States now on assignment in Germany, and he asked White if the could possibly be interested, presumably in him on a part-time basis. White answered in the negative. White indicated, however, that Bernstein should see Former Governor Lehman and see what he had to offer. White, in conclusion, related that he was going to talk to Secretary of the Treasury Vinson very straight; that he had nothing to lose; he was entitled to it (this may relate to his appointment as a delegate on the International

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Monetary Fund under the Bretton Wood Agreement) and would see what Vinson had to say. (u)

On January 1, 1946, Colonel Bernstein again was in contact with White, at which time reference was made to a commendatory statement which had appeared in the newspaper column of Drew Pearson that morning. Bernstein indicated that he had been in contact with an individual believed to be Congressman Andrew J. Biemiller to get the tempo of those up on the Hill. Bernstein commented that it seemed to him that it (unidentified) was concrete enough up there where they are working sufficiently well towards crystallizing support on the liberal fight. He made reference to they (apparently Congress) being worried about what was going to happen in 1946 and added that Congressmen like Biemiller would worry whether the CIO Political Action Committee and organizations of that type are going to give them support. (X)(u) R

On January 13, 1946, Bernstein was in contact with Mrs. White during White's absence in New York City. He inquired whether White had heard anything definite about his new job from the Secretary of the Treasury. Mrs. White answered in the negative. (X)(u) R

White is known to be in contact with David Karr, an employee of Drew Pearson, newspaper columnist, and specifically contacted him on January 1, 1946, expressing appreciation for the salute which had been paid to him in Drew Pearson's column that morning. It will be recalled that Karr's name was mentioned previously hereinbefore as an individual who was in frequent contact with White. Karr was formerly employed with the Daily Worker, a Communist Party publication, and later with Transradio Press and the Office of War Information. Karr also worked for a considerable period for "The Hour," published by Albert Eugene Kahn who is known to have had direct relationships with the Communist Party. Besides writing articles for the Daily Worker, at least on one occasion in March, 1939, he was the author of an article appearing in the publication "Fight and Democracy," a reported Communist front organization. The exact length of his service with Drew Pearson is not known. (X)(u) R

As an example of the tenor of the attitude prevailing in the White home, the following comments by one of his daughters to a friend may be of interest. In a discussion of their aims and likes, Miss White stated that a large portion of their "friends" called close friends believe in the same political ideas - the same as their family. Further, that all of the family had been engaged in politics and so the friends they have in the house are the ones they can speak freely with and not just say, "What lovely weather we are having." Continuing, Miss White stated the belief that when one is an adult, he must stick with his convictions that she thinks her parents have arrived at a correct understanding of political and religious beliefs and other basic things. (X)(u) R

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PRIMARY CONTACTS AND COLLABORATORS

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As will be seen in the results of investigation since November 1945, set out hereinbefore, considerable information is set forth concerning the persons with whom White has been in contact. In those instances where his contacts are not in substantiation of the original charges set forth hereinbefore, a brief statement was made concerning the identity of the individual involved. However, in those instances where White has been in contact with persons directly related to the original charges, very little, if any, further identification was made incidental to the summary of the investigation. It was thought more desirable to treat each of these persons separately.

Nathan Gregory Silvermaster and Helen Witte Silvermaster, his wife.

The confidential source supplying the original charges set out hereinbefore has advised that in August, 1941, Jacob N. Golos made arrangements for a courier to collect information from the Silvermasters for delivery to him and thence to the Soviet Government. It became increasingly more obvious that although the fiction was first used that this material was going to Earl Browder, that both the Silvermasters and Ullman were aware of its ultimate destination, namely, the Soviet Government. Silvermaster was at that time employed in the Farm Security Administration of the United States Department of Agriculture. His wife was unemployed, and William Ludwig Ullmann was employed in the Treasury Department.

Previous to these arrangements for a courier between the Silvermasters and Golos, it was quite obvious that Golos himself had collected the material being gathered. It was through the Silvermasters that Ullman was successful, with the aid of White, in securing his position in the United States Treasury Department.

Silvermaster, according to the informant, is of Russian-Jewish extraction, born in the Ukraine. His early life was spent in China where he remained until he was about twenty years of age when he migrated to the United States. He attended a university in the State of California and later taught in an educational institution in that state. The informant reports that during the longshoremen's strike on the West Coast in 1934, when Earl Browder, former Chairman of the Communist Party, USA, was being sought by vigilantes, he was hidden in the Silvermaster home. Previous acquaintance of Silvermaster with Browder up to that time is not known. Silvermaster first came to Washington, D. C., in about 1935, whereupon he secured employment with the United States Department of Agriculture. In 1942, he went to the Board of Economic Warfare; in 1944, the United States Treasury Department where he now holds the position of Chief of the Division of Economic Analysis, War Assets Board. This source definitely states that Silvermaster's position in the Treasury Department was secured for him by White.

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Mrs. Silvermaster was also born in Russia and spent her younger years in China, where she had a son by a previous marriage. She was subsequently divorced in this country, whereupon she married her present husband.

Prior to the establishment of the courier system, when Golos was collecting the information in Washington himself, the source states the material was delivered to an individual tentatively identified as Gaik Ovakimian, a known Soviet agent who was allowed to depart from this country after having been indicted as an unregistered agent of the Soviet Government. Verbal instructions were delivered to the Silvermasters and Ullmann by the courier which received the information gathered by them. By the fall of 1942, original documents were being received by Ullmann and the Silvermasters secured from Government files to which they had access. It was at this time that Ullmann provided himself with a 35 millimeter camera and became proficient in document photography. Many other details and contacts were reported concerning the Silvermasters; however, they had no direct relationship to White other than to establish the conclusion that this particular parallel of Soviet espionage had a wide coverage.

In substantiation of the above statements made by the confidential source, it will be noted that Silvermaster was born in Odessa, Russia, on November 27, 1898. He was naturalized as a United States citizen at San Francisco, California, in 1926. He attended the University of Washington, Seattle, Washington; Stanford University, Santa Clara, California, and the University of California, Berkeley, California. It was further determined that in general the life history of Silvermaster as related by the original source is substantially accurate. Silvermaster has been reported as a member of the American League for Peace and Democracy and the Washington Committee for Democratic Action, both of which were declared subversive organizations under the provisions of the Hatch Act by the Attorney General. There are references to Silvermaster as early as 1922 as a young Communist of the University District in Seattle, Washington. In the interim between then and 1935 when he entered upon Government employment, there are some other references to alleged radical activities and particularly allegations that he associated with known Communists. One report states that in 1935, Silvermaster contacted Sam Darcy, Head of the Communist Party in California, and because of his associations it was concluded that he was an active radical. Silvermaster has a long record of reported associations with known Communists. He has been described as a protege of Professor Robert Alexander Brady, head Social Economist of the Office of Price Administration and a reported member of the Communist Party from 1932 to 1937. Further, Silvermaster is known to be acquainted with individuals other than those named herein who are strongly suspected of Soviet espionage.

Mrs. Silvermaster was born in White Russia and after the Russian Revolution went to China where she married. After proceeding to the United States, exact date not known, she divorced her first husband and married Silvermaster in 1928 or 1929. There is little information concerning her background; however, this much does

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substantiate what the original source had to say in this regard. Helen Silvermaster was one of the leaders in the Washington Book Shop, the American League for Peace and Democracy, the Washington Committee for Aid to China, and probably the National Federation for Constitutional Liberties, according to the confidential source. At the same time the source indicated that her husband represented the OGPU (now the NKVD) in the United States. All of these organizations cited have been reported on numerous occasions by a considerable number of people to be Communist dominated and controlled. She was also listed in the indices of the United American Spanish Aid Committee, League of Womens Shoppers, and known to have attended functions of the Womens Committee with the Friends of Spanish Democracy, all allegedly Communist front groups.

William Ludwig Ullmann

William Ludwig Ullmann, according to the original source, and as has been related hereinbefore, lives at the residence of the Silvermasters. He participated very closely with the Silvermasters in gathering material which passed through Jacob N. Golos to the Soviet Government. According to the source, Ullmann originally came from a wealthy family in Missouri. He later resided in New York City and finally procured a clerical position in a Government agency in Washington, D. C. After making the acquaintance of the Silvermaster family, who recognized his potentialities, they facilitated his obtaining a job in the United States Treasury Department. Besides the gathering of information, he did much of the photographing and processing of the material precedent to delivery to the courier which brought it into the hands of Golos. In the fall of 1942, the source states that Ullmann's induction into the United States Army became imminent and there was considerable discussion on the part of Silvermaster and Ullmann as to which branch of the service would seem most advantageous. The Navy and the Marine Corps were dismissed since they concluded both branches were anti-Semitic. Realizing that Ullmann could not meet the physical requirements directly, it was decided that he should wait until he was drafted and attempt to be assigned to the Air Corps. This in fact was done, according to the informant, and Ullmann entered the Army as a private. Subsequently, he was promoted to a non-commissioned officer and later recommended for the Officer Candidate School. He was accepted and received his commission. Silvermaster was most anxious for Ullmann to be assigned to the Pentagon Building, and it was through Abraham George Silverman that this assignment was actually effected. Silverman during this period was a civilian employee of the War Department assigned to the United States Army Air Forces and stationed in the Pentagon Building. Both he and Ullmann made available voluminous material from records which came into their possession as a result of their employment.

By investigation, it was determined that Ullmann was born on August 14, 1908, at Springfield, Missouri. He attended elementary school in that state; received his college education from Phillips Exeter Academy, Exeter, New Hampshire, and Harvard University. He resided in New York in 1934 and 1935. The latter year, however, he came to Washington, D. C., and secured his first position with the

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United States Government with the NRA Consumers Advisory Board at a salary of \$2,000 a year. It was also learned through the Local Draft Board where Ullmann registered under Selective Service that he received a communication dated November 9, 1940, over the signature of Harry Dexter White, Director of Monetary Research of the United States Treasury Department, requesting the deferment of Ullmann. Ullmann finally entered upon service with the United States Army on April 16, 1943, and was separated from the Army on October 14, 1945, with the rank of Major in the Army Air Forces. He was assigned to the Pentagon Building, Room #4-E120. On return to civilian life, Ullmann again entered upon his employment with the United States Treasury Department. It is interesting to note that Ullmann is assigned to the Monetary Research Division of the United States Treasury Department, that Division being headed by White.

Schlomer Adler

Schlomer Adler, more commonly known as Sol Adler, according to the original source of information, advised that during the latter part of 1942 and the early part of 1943, his name arose in connection with this Soviet network. Letters were seen in the Silvermaster home written by Adler from Chungking, China, to the United States Treasury Department in Washington, D. C. He, at that time, was the Treasury Department representative in China and the letters observed were of an official character. Presumably, they came into the possession of the Silvermasters through White. The Silvermasters characterized Adler as an opportunist but indicated they would have liked to place him in some strategic location in the United States Government. Adler was described as a dues paying member of the Communist Party.

Investigation determined that Schlomer Adler was born on August 6, 1909, at Leeds, England. His length of employment with the Treasury Department is not known; however, on July 10, 1945, that Department requested his Local Draft Board to permit him to leave the country and travel to China as a representative of the Treasury Department. This request was granted. It was also determined that Adler is a naturalized American citizen and received his final papers in September, 1940. Adler previously had served at the American Embassy in Chungking, China, as a representative of the Treasury Department as early as 1941. In 1931, information was received from a confidential source, who in the past has been reliable, to the effect that Adler, an employee of the United States Treasury Department, had been sending weekly reports to the Communist Party. He was further described as definitely a Communist and a close contact of Alexander Stevens. It was suspected that the Communist Party was playing the stock market and utilizing Adler's information in this connection.

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SONIE STEINMAN GOLD

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According to the original source of information in this matter, White's position was considered most valuable by Silvermaster because of his ability to place in the Treasury Department those individuals whom this particular Soviet espionage group desired to have assigned there. Among those so assigned was Sonie Steinman Gold. It was sometime in the fall of 1943, that the Silvermasters believed it desirable to have someone placed as a secretary to White in order to facilitate obtaining information from his office. The name of Sonie Gold was secured from one of the Communist functionaries in Washington, D. C., and through arrangements with White, she secured a position in the Treasury Department. As a result of this employment, she obtained documents from his office which she copied and later delivered the notes to Helen Silvermaster.

Further, the source states that in the spring of 1944, Bela Gold also known as Bill Gold, the husband of Sonie Gold, also appeared in this Soviet network. Gold had obtained a position in the Foreign Economic Administration and based on conversations overheard between the Silvermasters and Ullmann, it was determined that he was supplying this group with what they considered excellent information regarding the internal situation in the Foreign Economic Administration. Gold was considered to have done an excellent job in this regard by both Silvermaster and Ullmann and they discussed at one time the possibility of supplying him with a camera in order that he might do his own photographing at home.

As related hereinbefore, investigation determined that Sonie Gold is in fact employed in the United States Treasury Department as a secretary or assistant secretary to White. She was on maternity leave and may still be; however, on December 27, 1945, it is known that she was in contact with Mrs. Helen Silvermaster in connection with a luncheon engagement.

Bela Gold was born on January 30, 1915 at Golessvar, Hungary. He is a United States citizen either by naturalization or derivation and married Sonie Gold on July 5, 1938. He attended New York University and Columbia University. As of April 16, 1945, a request for deferment was made to the Local Draft Board of Gold by Kenneth O. Warner, chairman of the Agency Deferment Committee of the Foreign Economic Administration. Gold at that time held the position of advisor on Foreign Development Policy at a salary of \$8,000 per annum. Gold, through investigation, was determined to be in contact with Mrs. Elizabeth Sasuly, who is active in the administration of the White Collar Unit of the Communist Party, Washington, D.C.

HAROLD GLASSER

As it was indicated hereinbefore, the source of the original information in this case mentioned another branch of Soviet espionage headed by Victor Perlo of which Harold Glasser was a member. When this group first came to the attention of this source in early 1944, Glasser was outside of the United States

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in some capacity with the United States Treasury Department but he returned in the early fall of that year. Subsequent to that time he was stationed at the Treasury Department at Washington, D.C. where he was thought to have been an assistant to White or at least rather closely associated with him. Glasser, however, was transferred from the Perlo group to administration by Alger Hiss of the State Department, who was also, according to the informant, supplying information to Soviet Intelligence.

Investigation determined that Harold Glasser was born on November 23, 1904, in Chicago, Illinois. According to Selective Service records, he is employed as Assistant Director, Division of Monetary Research, United States Treasury Department, and his immediate superior is Harry Dexter White, Assistant Secretary of the Treasury. He attended the University of Chicago and Harvard University. He in fact resided outside the United States, part of the time in Ecuador, as is reflected by a permit in the Selective Service records, issued on January 7, 1943. His first residence abroad appears to have been in Ecuador; however, a passport was issued to him on February 1, 1943, for travel to Africa, Union of South Africa and Egypt where he was to be assigned to the Civil Affairs Section of General Eisenhower's Staff. Further, on February 12, 1944, it was indicated that he was travelling abroad to North Africa, Spain, Portugal and Italy on business for the United States Treasury Department concerning the problems on foreign exchange in the countries enumerated. It is known that he was back in the United States in the fall of 1944. Glasser has been described by numerous sources as a member of the Communist Party and has been associated with many individuals against whom the same charge is made.

IRVING KAPLAN

According to the source of the original information, it is stated that Irving Kaplan was employed with the War Production Board and was giving information which he obtained through his agency to Abraham George Silverman. It was through Silvermaster that it was learned that the material from Kaplan channelled through Silverman, was actually being received by Silvermaster for passing along to Golos and thence to the Soviet Government. Kaplan was described as a dues-paying member of the Communist Party. When last heard of by the source, he was employed with the Foreign Economic Administration.

Irving Kaplan was born on September 23, 1900, in Zdzenciel, Poland. He attended the City College of New York and Columbia University. He was naturalized in New York City on December 18, 1911. In the summer of 1945, he was designated as a representative of the Treasury Department to proceed to Germany and there was assigned to the civilian group. He was requested for duty with the United States Group Control Council in Supreme Headquarters, Allied Expeditionary Forces. One of his references on the application for employment was Abraham George Silverman, mentioned hereinbefore.

Further in the investigation, it was found that the wife of Irving Kaplan, Dorothy Kaplan, had been in contact with the wife of Abraham George Silverman, Mrs. Helen Silvermaster and is acquainted with Nathan Gregory Silvermaster and Ulmann. During these contacts it was apparent that she was bringing (S) (u)

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pressure through Ulmann and Silverman to have her husband released from the Army in Europe in order that he might return to his position in the Treasury Department. Irving Kaplan communicated with his wife to the effect that she should contact Frank Coe and advise him that no confirming cable concerning his release had been received as yet but that a person named Nixon had cabled Colonel Bernard Bernstein and White on December 11, 1945, requesting Kaplan's immediate recall on account of urgent matters pending. All of these individuals have been mentioned hereinbefore. Subsequent to the receipt of this cable, Dorothy Kaplan contacted Ulmann and told him that she had been in contact with Frank Coe about the time scheduled for her husband's release. He indicated to her that nothing further could be done since the Treasury Department had already requested the War Department for Kaplan's return to the United States immediately. Mrs. Kaplan was advised by Frank Coe to cable her husband that they were doing everything possible to effect his early return to the United States. It will be noted that all of the names figuring in these transactions are of those mentioned as prominently concerned in the Soviet espionage group discussed hereinbefore. (S) (U) rel.

WILLIAM HENRY TAYLOR

It will be recalled as cited hereinbefore that the original source of information charges that White was considered of extreme value to the instant underground Soviet group because of his ability to place individuals in particular positions in the Treasury Department. Mentioned particularly in this category was William Henry Taylor. This individual first came to the attention of the source in the latter part of 1942 or the early part of 1943. It is alleged that after securing his position with the Treasury Department with the assistance of White, he was sent as their representative to China and later to Lisbon, Portugal, with the Foreign Economic Administration. He was described as a dues-paying member of the Communist Party. During the interim between his return from China and his departure to Portugal, he was in the Treasury Department in Washington, D. C., and was supplying Silvermaster with written and oral information secured by him in that Department. In addition, he prepared a report on conditions in China which he made available probably to Silverman but possibly to Silvermaster. This report eventually reached the hands of the Russians.

Taylor was born in British Columbia on March 30, 1906. He was appointed to the position of principal economic analyst in the Division of Monetary Research on January 3, 1941. This is the division headed by White. He resigned his position on May 21, 1941, to accept an appointment as an alternate American representative of the recently created China Stabilization Board and proceeded to Chungking, China, on official business. He was reinstated in the Division of Monetary Research on September 15, 1942, as principal economic analyst.

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In May, 1944, the Department of State granted Taylor a passport for an official trip to London, England. In connection with another investigation, White on interview advised that Taylor had handled many important assignments for the Treasury Department, including a visit to North Africa on official business shortly after the Invasion and London in connection with official business with regard to the invasion of Europe. As of June, 1945, he could be reached in care of the American Embassy at London, England.

ABRAHAM GEORGE SILVERMAN

According to the original source, Abraham George Silverman, a graduate of Harvard University, came to Washington, D. C., in the early 1930's to accept employment with the Railroad Retirement Board. The circumstances of his acquaintanceship with the Silvermasters and Ulmann were not known to the source although during the pertinent period, Silverman was accepted on a very friendly basis in the Silvermaster home. After he was assigned to the Pentagon Building in 1942 or 1943, as a Civilian Specialist, he began bringing documents to the Silvermasters' home.

During this same period, the source learned that White was also supplying information consisting of documents received in the course of his duties in the Treasury Department. These documents were made available to Silvermaster either by Ulmann or Silverman, both of whom were receiving material from White. Silverman also collected information from other individuals which ultimately was passed on through instant channels to the Soviet Government. Both Ulmann and Silverman while assigned to the Pentagon Building were obtaining and photographing data including aircraft production figures, allocation and deployment of aircraft, results of testing of aircraft, reports on the efficiency of particular types of airplanes, technological developments in aircraft manufacture, statistics regarding high octane aviation gasoline, pertinent developments concerning the planning, construction and completion of the B-29, scheduled date of D-Day, directives issued by General Marshall, and other vital information. Both Silverman and Ulmann were assigned to the United States Airforce and had access to this type of information.

Investigation disclosed that Silverman was born at Przasnysz, Poland, on February 2, 1900. He graduated from Harvard University with a Ph.D. Degree and holds another degree from Leland Stanford University. He was formerly employed as a Chief Production Specialist, Materiel Division, Army Airforces, from March 26, 1942, until August 18, 1945, when he left this employment to work for the French Supply Council, a part of the French Government in Washington, D. C. He is known to have been in contact with Nathan Gregory Silvermaster, Mrs. Silvermaster, Dorothy Kaplan, wife of Irving Kaplan, and others mentioned hereinbefore.

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DONALD NIVEN WHEELER

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According to the original source, Donald N. Wheeler was an element of the Perlo Group mentioned hereinbefore, who during the pertinent period, namely in 1944, was employed on the Editorial Board of the Research Analysis Section of the Office of Strategic Services. The material which he submitted was stated to be of considerable value. He submitted material which included "ditto" copies of monthly and semi-monthly reports of the Office of Strategic Services as they concerned political developments throughout the world, some of which were marked "Secret" and "Confidential."

The source states that Wheeler is a native born American, a graduate of Yale University and had in the past been a student at Cambridge or Oxford specializing in Economics. He was described as a dues-paying member of the Communist Party. Wheeler is apparently an American who attended Reed College, Portland, Oregon, and Oxford University as a Rhodes Scholar. He also was an instructor at Yale University subsequently entering upon employment in the Division of Monetary Research, United States Treasury Department, as a junior economic analyst in April, 1939. In May, 1940, he was detailed to the Senate Banking and Currency Committee. His immediate supervisor while with the Treasury Department was Harry White, now Assistant Secretary of the Treasury. In September, 1942, Wheeler was employed in the Office of Strategic Services.

While in attendance at Yale University, Wheeler was friendly with David Hedley, who is now a Communist Party member in San Francisco, California. He is described by the individuals who knew him to have fostered Communist fronts while in Connecticut attending the University and supported such institutions as the Spanish Aid Committee. On one occasion, according to a confidential source, Wheeler and his wife are known to have attended a Communist Party meeting in New Haven, Connecticut. He was active as an organizer for the Spanish Loyalist cause; is a member of the Washington Book Shop; Washington Committee for Democratic Action; and other alleged Communist front organizations.

Victor Perlo in the recent past has been in contact with Donald Wheeler and other individuals associated with suspected Soviet agents, have been seen in company with the Wheelers.

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Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. D. M. LADD

FROM : MR. A. N. BELMONT

SUBJECT: HARRY DEITER WHITE
ESPIONAGE - R
Bufile 101-4062

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DATE: November 9, 1945
ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/15/83 BY SP5 MJA/K

With reference to my memorandum submitted earlier today relative to the dissemination we made on certain summaries in this case, a recheck has been made of certain of the dissemination. The following is the dissemination which has been found for our summary memorandum of November 27, 1945, entitled "Soviet Espionage in the United States":

Letter	Date Delivered
White was	12-4-45
Atty Gen General	12-4-45
State Department	12-4-45
War Department	12-7-45
File copy indicates sent 12-4-45. This copy or another copy delivered to Mr. Fred Lyon by Mr. Ladd 12-7-45.	
Personally delivered 12-7-45.	

With respect to the above, it is not possible to determine with absolute accuracy whether we submitted one or two copies of the summary to the State Department. We did direct a letter dated December 4, 1945, to the Secretary of State. The letter was marked Personal and Confidential, by Special Messenger. A notation on our copy reflects it cleared the Communications Section on December 4, 1945. Somewhere in the same file there is a memorandum from the Director, which states in accordance with the Director's instructions, you personally delivered to Fred Lyon a copy of a memorandum "Soviet Espionage in the United States." You asked Lyon to see that this summary was personally handed to (Spruille) Braden. It is, therefore, possible that we delivered a second copy of this same summary to Lyon, for Braden in addition to the summary which was sent by letter dated December 4, 1945.

Classified by SP-5 B. J. Kay
Declassify on: OADR
10/13/83

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It appears from our review of this matter that we wanted to make additional dissemination of the information in the November 27, 1945, summary so we prepared a summary containing the same information with only a very small number of minor changes and disseminated it under date of December 12, 1945. This means that for all practical purposes the two summaries should be regarded as one from a dissemination standpoint with the exception of the minor changes which in no way altered the over-all picture we were presenting. The following is the dissemination of the summary memorandum dated December 12, 1945, entitled "Soviet Espionage in the United States":

	<u>Letter</u>	<u>Date Delivered</u>
Admiral Leahy	2-20-46	Sent 2-20-46
State Department	3-15-46	Sent 3-18-46
G-2	2-26-46	Delivered 2-28-46
Treasury Department	3-5-46	Delivered 3-6-46 (u)
[REDACTED]	[REDACTED] (S)	Sent 2-21-46] (S)
[REDACTED]	[REDACTED]	Sent 2-21-46]
Attorney General		Personally delivered 7-24-46

In addition, our files contain a memorandum from Mr. Coyne to Mr. E. A. Tamm dated July 24, 1946, which reflects Mrs. Stewart of the Attorney General's office had returned to the Bureau a series of memoranda regarding Communist and Russian matters and requested that duplicate copies of these memoranda be made available to the Attorney General who wanted to take them to the White House to utilize in a conference with the President. When we returned the Attorney General's copies of the summaries, we gave her in addition to what she had requested a copy of the December 12, 1945, summary.

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In a memorandum from Mr. Coyne to Mr. E. A. Tamm dated July 25, 1946, it was set forth that Mrs. Stewart returned to the Bureau the documents we had previously given to the Department. The copies returned to the Bureau, according to the memorandum, were the Attorney General's copies and the memoranda we had made available on the previous day had been left with the President by the Attorney General on July 24, 1946. It is not indicated on this memorandum whether we then returned the summaries to the Attorney General or not.

The following is the dissemination which was made of the summary memorandum on White dated February 1, 1946, according to the copies of the letters of transmittals which we located:

	<u>Letter</u>	<u>Date Delivered</u>
White House	2-1-46	Delivered 2-4-46
Attorney General	2-4-46	Sent 2-6-46
State Department	2-1-46	Delivered 2-4-46

The above dates have been rechecked against Photostats which we made up on the brief that was submitted on this case earlier today.

We have been unable to locate any additional reference showing further dissemination of the summaries of November 27, 1945 and December 12, 1945. We have also been unable to locate any further dissemination of the summary memorandum on White dated February 1, 1946. However, we have found in checking this matter over the past weekend that the letters of transmittal are widely scattered through our files and appear in numerous different files. We think we located all of the dissemination which was made on these summaries. We are, however, in connection with the further review of dissemination on White looking for any additional dissemination which may have possibly been made.

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ACTION

The foregoing is for your information in connection with this matter.

Discussion Notation

1. This whole matter points up the imperative need for prompt dissemination of pertinent information to all interested parties.
2. The necessity of proper notation as to time & person to whom dissemination is made.
3. Take an immediate "look see" at our procedures to assure we are now properly handling this problem.
4. Stress again & again to Supervisory Staff the need indicated in no 1 & 2 above.

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November 9, 1953

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ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/15/83 BY SP5/rjg/ky

MEMORANDUM FOR MR. TOLSON
MR. LADD
MR. NICHOLS
MR. BELMONT

This morning, the Attorney General asked me to come to his office to confer with him, Deputy Attorney General Rogers, Assistant Attorney General Gandy, and Mr. Mullen, Director of Public Relations, relative to the Harry Dexter White matter. It was impossible for me to go at once in view of a phone call which I was taking but I did arrive shortly thereafter. It was apparent that there had been a rather detailed discussion as to the kind of statement which the Attorney General should issue today.

The Attorney General showed to me a memorandum dated February 4, 1946, which was addressed to Clark and which was identical in content to the letter of February 1, 1946, addressed to General Vaughan, transmitting a copy of the memorandum of February 1, 1946, upon Harry Dexter White. The Attorney General inquired as to whether I thought there was any impropriety in releasing this particular memorandum to the press today, together with sworn statements of the delivery of the several memoranda to General Vaughan at the White House.

I told the Attorney General I was very much concerned about the developments in this matter in that it had been indicated that there was to be released to the press certain reports of the FBI, or summaries thereof, by the Attorney General today. I stated that if this was in mind, I thought it was setting a very bad precedent which would inevitably rebound against the Department of Justice, and particularly the FBI. I stated that the principle at stake was the sanctity of the FBI files and its reports. I cited the situation which developed in the Ceylon case when former Attorney General Clark saw fit to release a report of the FBI in that case over my strong and vigorous protests. I stated that I felt if any reports of the FBI were released in the Harry Dexter White matter, that we could not in the future withstand the demand for access to our reports by Congressional Committees and that I doubted whether the Attorney General's rule not making reports available in Federal Court would stand up. I further pointed out that as regards the memorandum of December 4, 1945, and the memorandum of February 4, 1946, that I had had these gone over and that throughout

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Tele. Room
Holloman
 Sizoo
Miss Gandy

Best Copy Available

These reports there were certain paragraphs and references which, if made public, would disclose confidential techniques and the identities of informants. I said that to remove these particular portions from the reports would be quite obvious and would, no doubt, lead to even more intensive inquiries by the press and by Congressional Committees. I stated that I was fundamentally opposed to disclosing at any time the top-secret reports of the FBI in matters affecting the security of the country.

I stated that as regards the issuance of a statement by the Attorney General today, I thought that statement should be upon a very high level if he intended to issue one. I stated I did not think it should be argumentative nor indulge in personalities. I stated that since the Attorney General had seen fit to make the Chicago speech last week, mentioning Harry Dexter White, there had been no question raised as to the accuracy of his statement about White but, as a matter of fact, former President Truman had admitted he did learn in due time that White was disloyal and took steps to dismiss him by resignation. I stated that the only question involved was whether General Vaughan had received the two reports in question and that the records of the FBI showed that both of these reports were delivered to the White House, one through regular mail channels, the one of December 4, 1945, and the February 4, 1946, one, by a notation on the yellow carbon copy of the letter of transmittal in the Bureau files, was personally delivered to General Vaughan on February 4, 1946. I pointed out, however, that Mr. Roach, our Liaison Officer, obviously could not swear to the fact that he personally handed it to General Vaughan in view of the lapse of time but that Mr. Roach has advised that it was his practice, whenever he personally delivered a report to General Vaughan, to make a notation of that fact upon the yellow which went to the files in the FBI. I stated that when Mr. Roach made delivery of such a report to the secretary of General Vaughan, he would make a notation of that fact upon the yellow. I stated, however, I thought that there should be nothing stated at this time as to the mechanics or details of the delivery of the reports as I thought this was getting down to rather technical details. I pointed out that General Vaughan has been subpoenaed before the Jenner Committee of the Senate and if at the time of his testimony there are any statements made which would indicate he never received any reports at any time, the matter could then be reevaluated and a decision made as to whether it would be desirable to present to the Senate Committee a memorandum of the procedures of delivery of the two reports in question. I stated that I thought that if there was to be any statement issued today, it should be limited solely to the fact that the Attorney General was standing by the statement which he made in Chicago last week, the main item of which - the disloyalty of Harry Dexter White, had not been questioned by anyone. The Attorney General then inquired as to whether I saw any objection to including in the statement today the identities and dates of distribution to other parties than Vaughan of the reports of December 4, 1945 and February 4, 1946. I stated that I could see no objection to this being done. Mr. Rogers concurred fully with my views and observations as to the handling of the Attorney General's statement to be released today. Mr. Rogers was to prepare the statement and would show it to the Bureau before it was issued.

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M. STANTON EVANS
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WASHINGTON, DC 20003

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Date July 5/01

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WASHINGTON, D.C. 20003

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Mr. Rogers stated he thought there should be nothing said orally or in writing about this matter from now on until it had been specifically cleared with the FBI. The Attorney General concurred in this view.

The Attorney General inquired of me during the course of this conference as to whether I had ever discussed the Harry Dexter White case with the President. I told him that I had not.

I took occasion to advise the Attorney General that on Friday (November 6) and again this morning Mr. John Maragon had called and talked to Miss Gandy, my secretary, indicating that he had noted the General Vaughan statements about not receiving material from the FBI. I stated Maragon had indicated that he had been in Vaughan's office on many occasions and had seen Mr. Nichols and Mr. Nease of this Bureau come in and deliver reports to General Vaughan. He stated furthermore that on occasions General Vaughan had thrown into the wastebasket certain FBI reports after they had been received. I informed the Attorney General that Maragon had further stated that he had himself perused some of the reports which had been left with General Vaughan. I also informed the Attorney General that Maragon had further stated that Miss Ruth Anderson, former secretary of General Vaughan, had been in communication with John Maragon and had indicated that she well recalled some of the aspects of this matter. I informed the Attorney General that Maragon had made some inquiry as to what he should do about his knowledge of this situation and he had been advised by my secretary that whatever action he took would have to be his own decision.

The Attorney General, during the course of the conference, inquired of me as to who one Lyons of the State Department was to whom one of the reports dealing with the subversive activities had been delivered by the Bureau. I told him this was Mr. Fred Lyons who I understood was still with the State Department serving in the Foreign Service but who was at that time what might be termed the security officer of the State Department, with whom this Bureau had general contact and to whom reports were made by the Bureau and that was the reason why any report was delivered to Mr. Lyons.

The Attorney General also inquired about the William Henry Taylor case and wanted to know what the status was. I told him that this was the case of a man employed by the Monetary Commission. I stated there had been some hearings before the House Un-American Activities Committee concerning Taylor and we had also made certain investigations and forwarded reports upon him. I told the Attorney General that even within the last two weeks Mr. Philip Young of the Civil Service Commission, and Mr. Pierce Gerety of the Loyalty Review Board for the United Nations Personnel, had called to see me about certain

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Miss Gandy _____

security cases which were under consideration by Mr. Gerety's committee for the United Nations and that one of these cases was that of Mr. Taylor and, as I understood it from Mr. Gerety, the Gerety Committee had not yet reached a decision as to whether to give Mr. Taylor clearance or not. The Attorney General instructed Mr. Olney to immediately look into the Taylor file and see that proper action was taken.

I reminded the Attorney General that there were still employed in Government agencies persons who were on our security lists to be picked up. I pointed out to him that I had advised him by memorandum last week that the Acting Secretary of Interior had asked for a list of names of such persons who were employed in the Interior Department and apparently did not know that the Attorney General had previously forwarded such a list to the Secretary of Interior. The Attorney General directed that Mr. Foley in Mr. Olney's office address a communication to each of the Departments to which the previous communications had been addressed asking as to what action had been taken upon the names which the Attorney General had previously furnished.

Very truly yours,

J. Edgar Hoover
John Edgar Hoover
Director

SENT FROM D. O.	
TIME	6:15 PM
DATE	10-9-53
BY	<i>gth</i>

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Tele. Room _____
Holloman _____
Gandy _____

Office Memorandum • UNITED STATES

GOVERNMENT

TO : Mr. Tolson

DATE: Nov. 9, 1953

FROM : L.B. Nichols

SUBJECT: DELIVERY OF LETTER NOVEMBER 28, 1945,
to GENERAL HARRY H. VAUGHANTols
Ladd
Nichols
Belmont
Clegg
Glavin
Harbo
Rosen
Tracy
Gearty
Mohr
Winter
Tele.
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Sizoo
Miss G

With reference to the Bureau's letter dated November 28, 1945, addressed to Brigadier General Harry Hawkins Vaughan at the White House, I wish to advise that an examination of the Bureau's file copy of this communication reflects that it is captioned "TOP SECRET BY SPECIAL MESSENGER."

This communication bears the Bureau's Communication Section stamp dated November 28, 1945, p.m. This stamp was placed on the Bureau's file copy at the time the original was separated and placed in an envelope for delivery. A notation was then entered in the log maintained in the Communications Section and the communication was delivered by Special Messenger. The special messenger filled out a delivery card indicating the identity of the person to whom the communication was delivered, the time and place of delivery. Upon returning to the Communications Section, this delivery card would then be checked against the log and a notation entered on the log that the letter had been delivered. If for any reason the communication had not been delivered, the Communications Section stamp would have been canceled or a notation would have been made on the Bureau's file copy.

The logs and delivery cards are no longer in existence. A special messenger would, of course, not have known the contents of the letter, but there can be no question but that the letter was delivered, otherwise an entry would have been made on the Bureau's file copy.

cc - Mr. Ladd
cc - Mr. Belmont

LBN:ptm

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 6/15/83 BY SP5 [signature]

12/13/88 3042 [signature]

DIRECTOR'S NOTATION: "I WANT SWORN STATEMENT RE THIS."

H.

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8 NOV 18 1953 204

ORIGINAL COPY FILED IN 62-70143-517

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Tolson

DATE: Nov. 9, 1953

FROM : L.B. Nichols

SUBJECT:

With reference to the letter dated February 1, 1946, addressed to General Harry Hawkins Vaughan, transmitting a detailed summary on Harry Dexter White, I wish to advise that this communication was delivered to General Vaughan by Special Agent Ralph R. Roach on February 4, 1946. The File copy of the letter is captioned:

PERSONAL AND CONFIDENTIAL
BY SPECIAL MESSENGER

The Bureau's file copy bears the endorsement in the upper right-hand corner under the caption:

"Personally delivered 2/4/46"
Mr. Roach then initialed this "RRR."

Mr. Roach has examined the Bureau's file copy. He states he has no independent recollection of the contents of this particular letter or circumstances regarding its delivery to General Vaughan, but that from the notation appearing on the Bureau's file copy, Mr. Roach advised that it would only have been placed on the letter after the letter had actually been delivered in person to General Vaughan. Mr. Roach states that had he delivered it to General Vaughan's secretary, a notation to this effect would have appeared.

There can be no question about the delivery of the Bureau's letter of February 1, 1946, to General Vaughan on February 4, 1946.

cc: Mr. Ladd
Mr. Belmont

LBN:arm

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 6/25/83 BY SP5/DAK/ty

DIRECTOR'S NOTATION: "I WANT WRITTEN SWORN STATEMENT FROM ROACH RE THIS."

H.

65-56402

NOV 12 1953

69 NOV 17 1953

Tolson
Ladd
Nichols
Belmont
Clegg
Glavin
Harbo
Rosen
Tracy
Gandy
Mohr
Winterrowd
Tele. Rm.
Holloman
 Sizoo
Miss Gandy

62-78143-52
NOV 12 1953

cc: Mr. Ladd Mr. E.
Mr. Rosen Mr. G.
Mr. Belmont
Mr. Agranoff
Mr. Stanley

THE DIRECTOR

November 9, 1953

D. M. LADD

WILLIAM HENRY TAYLOR, aka Bill
International Monetary Fund
Washington, D. C.

12/12/12 3042 PWT/fh
ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/22/13 BY SP5/afg

LOYALTY OF EMPLOYEES OF THE UNITED NATIONS
AND OTHER PUBLIC INTERNATIONAL ORGANIZATIONS - JR

The Washington City News clipping dated November 7, 1953, quotes Senator Joseph R. McCarthy as stating that a man is still employed as an Assistant Director of the International Monetary Fund despite FBI reports naming him as a Communist spy. The clipping states that, according to McCarthy, the FBI gave the Truman administration "roughly the same kind of report" on this individual as had been given on Harry Dexter White, once Assistant Secretary of the Treasury. The Director's notation was "What are the facts?"

While McCarthy does not mention this individual by name, it is believed that he is referring to William Henry Taylor, who, according to Bureau files, is Assistant Director, Middle East Department, International Monetary Fund. Taylor was identified in November 1945 by Elizabeth Bentley, an admitted former espionage agent, as a member of the Silvermaster spy ring and a close associate of Harry Dexter White.

There is attached a brief which reflects the Bureau's investigation and dissemination of information to the White House, Department of Justice and other agencies and individuals. This does not represent a complete review of all Bureau files concerning Taylor, but sets forth the high lights of information, investigation and dissemination of data concerning Taylor.

In this connection, reference is made to the memorandum from Mr. Belmont to Mr. Ladd dated today reflecting information and dissemination regarding Harry Dexter White.

Further file review is being made for any additional dissemination of information relative to Taylor.

ACTION:

For your information.

- Tolson
- Ladd
- Nichols
- Belmont
- Clegg
- Glavin
- Harbo
- Rosen
- Tracy
- Gearty
- Mohr
- Winterrowd
- Tele. Room
- Holloman
- Sizoo
- Miss Gandy

Attachment

GES:bab:nlh

cc: Mr. Belmont

cc: 100-370362

61-81-738-328

65-56402

63 NOV 27 1953

65-56402-

NOT RECORDED

146 NOV 12 1953

WILLIAM HENRY TAYLOR, aka Bill
International Monetary Fund
Washington, D. C.

LOYALTY OF EMPLOYEES OF THE UNITED NATIONS
AND OTHER PUBLIC INTERNATIONAL ORGANIZATIONS - IR

PERSONAL HISTORY

William Henry Taylor was born on March 30, 1906, at Revestoke, British Columbia, Canada. He was naturalized as an American citizen on March 30, 1940, at Honolulu, Hawaii, certificate number 4721376. Taylor received his education at the University of British Columbia and the University of California having received his Ph.D. degree from the latter institution in 1935.

He is a teacher by profession having been employed at the University of California, University of British Columbia, and the University of Hawaii.

He was employed as Assistant Director, Division of Monetary Research, United States Treasury, from September 1942 until December 1946. On December 16, 1946, he was employed as Assistant Director of Operations Department, International Monetary Fund, which position he held until March 30, 1950. He then became Assistant Director of Latin American, Middle Eastern and Far East Department, International Monetary Fund, and held this position until May 1950. In May 1953 he was made Assistant Director, Middle East Department, International Monetary Fund, which position he presently holds.

INVESTIGATION CONDUCTED BY BUREAU AND
DISSEMINATION OF INFORMATION

Watch Act Inquiry

3042 Pst/ps 12/76
6/22/83
Classified by 925/ryg/hty
Declassify on: OADR

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

refer

- 1 -

65-56102-

ENCLOSURE

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ref. 1

[REDACTED]

dated August 4, 1941, Matthew J. McGuire, Assistant to the Attorney General, was furnished the above information. (61-8965-2)

By letter dated January 29, 1942, Mr. Adolf A. Berle, Jr., then Assistant Secretary of State, was furnished copies of the above-mentioned Honolulu reports. These reports were furnished to Mr. Berle inasmuch as Taylor, upon resigning his position at the Treasury Department in May, 1941, had gone to China as the alternate American representative on the China Stabilization Board at Chungking, being employed by the Chinese government. (61-8965-5)

On June 1, 1944, the Washington Field Office was instructed by letter to advise Harry Dexter White, Assistant Secretary of the Treasury, on a "strictly confidential basis" that negative information obtained during a preliminary Hatch Act inquiry concerning Taylor did "not appear to justify further investigation by the Bureau" at that time. In this connection it is noted that White had asked that he be advised of the outcome of the inquiry since the Treasury Department was then planning to send Taylor to London on an assignment having to do with the invasion of Europe. (61-8965-9)

Allegation Serving As Basis For Espionage Investigation:

On November 8, 1945, Elizabeth Terrill Bentley, a Communist Party member, furnished information which was incorporated in a signed statement on November 30, 1945, to Bureau agents at New York City relating to the Silvermaster Espionage apparatus. In this statement, she said that from conversations she heard in the Silvermaster home, it was apparent that Silvermaster's most valuable asset, so far as his group was concerned, was his ability to place in the Treasury Department those individuals whom the group had assigned there. Among the persons in this category was William Taylor. Miss Bentley stated that she had heard that William Taylor had been placed in the Treasury Department by Harry White, another member of the Silvermaster group.

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It was Bentley's recollection that Taylor was sent as a Treasury Department representative to China and later to Lisbon, Portugal, for the Foreign Economic Administration. According to Bentley, Taylor was a Communist Party member who paid his dues to the Silvermasters. During the interim between his return from China and his departure to Lisbon, Bentley said that Taylor was in the Treasury Department in Washington, D. C., and was supplying Silvermaster with written and oral information secured by him at that Department. In addition, he prepared a report on conditions in China, which according to Bentley, he made available, probably to Abraham George Silverman, a subject in the Silvermaster case, but possibly to Silvermaster. Bentley recalled having seen this report among the data given her for dissemination to the Russians. (65-56402-220)

A summary memorandum dated November 27, 1945, entitled "Soviet Espionage in the United States" contained the information furnished by Elizabeth Bentley concerning her Espionage activities including information concerning William Taylor, an employee of the Treasury Department, who was listed as a member of the group headed by N. Gregory Silvermaster. This summary was disseminated as follows:

To General Vaughan at the White House by letter dated December 4, 1945, which letter cleared the Communications Section on December 4, 1945. (61-3499-199)

To the Attorney General by memorandum dated December 4, 1945, marked "Personal and Confidential." The Bureau's copy reflects a stamped notation indicating it was sent from the Director's office on December 4, 1945. (100-7626-39)

To the Secretary of State by letter dated December 4, 1945. The letter was marked "Personal and Confidential - By Special Messenger" and a stamped notation on the Bureau's copy reflects that it cleared the Communications Section on December 4, 1945. (61-3499-199)

A memorandum from Mr. Ladd to the Director dated December 7, 1945, reflects the summary was delivered to Fred Lyon of the State Department by Mr. Ladd personally. Lyon was asked to see

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that it was personally handed to (Spruille) Braden. (61-3499-196)

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By letter dated December 7, 1945, to James V. Forrestal, Secretary of the Navy. The letter was marked "Personal and Confidential" and a notation appears on the Bureau's copy reflecting that it was delivered on December 7, 1945, to Matt Correa. (61-3499-197)

A summary dated December 12, 1945, entitled "Soviet Espionage in the United States" is identical with the summary of November 27, 1945, insofar as the allegations concerning Taylor are concerned. The only difference between the two summaries consists of the deletion of certain terminology. This summary was disseminated as follows:

To Fleet Admiral William D. Leahy, Chief of Staff to the Commander-in-Chief of the Army and Navy, Room 5142, New War Department Building, 21st and Virginia, Northwest, Washington, D. C., by letter dated February 20, 1946. The Bureau's copy contains a stamp reflecting the letter cleared the Communications Section February 20, 1946, and was delivered by Special Messenger. (61-3499-225)

To Frederick B. Lyon of the State Department by letter dated March 15, 1946, marked "Personal and Confidential - By Special Messenger." The Bureau's copy reflects that this letter cleared the Communications Section on March 16, 1946, and was sent by Special Messenger. (61-3499-238)

To Lieutenant Colonel Hoyt Vandenberg, Assistant Chief of Staff, G-2, War Department, by letter dated February 26, 1946. A notation appears on our copy of this letter "delivered to G-2, February 28, 1946, SWR" (61-3499-229)

(S) [REDACTED] which was mailed from Communications Section on February 21, 1946. (61-3499-224) (X) U

(S) [REDACTED] which cleared the Communications Section on February 21, 1946. (61-3499-226) (X) U

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To Honorable Fred M. Vinson, Secretary of the Treasury, Washington, D. C., by letter dated March 8, 1946. The Bureau's copy reflects that this was personally delivered on March 8, 1946. (100-3-1308)

On July 24, 1946, a copy of the summary of December 12, 1945, was made available by J. P. Coyne to Mrs. Stewart of the Attorney General's Office. (61-3499-295)

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A summary of information concerning Harry Dexter White dated February 1, 1946, contained a documentation of William Henry Taylor. The documentation consisted of information furnished by Elizabeth T. Bentley, whose identity was concealed, and pointed out that White was considered of extreme value to the Silvermaster Soviet group because of his ability to place individuals in particular positions in the Treasury Department and mentioned particularly in this category William Henry Taylor. Taylor was described as a dues paying member of the Communist Party who was supplying Silvermaster with written and oral information secured by him in the Treasury Department. In addition it was stated that Taylor prepared a report on conditions in China which he made available probably to Silverman but possibly to Silvermaster. This report eventually was said to have reached the hands of the Russians. This letter marked "Personal and Confidential, By Special Messenger," was personally delivered on February 4, 1946, to Brigadier General Harry Hawkins Vaughn, Military Aide to the President, The White House, (65-56402-473) This summary was furnished to the Attorney General by memorandum dated February 4, 1946, which was actually delivered on February 6, 1946. (65-56402-621-11) This memorandum was also sent by letter dated February 1, 1946, to Mr. Frederick B. Lyon, Chief, Division of Foreign Activity Correlation, Department of State, Washington, D. C., which was personally delivered on February 4, 1946. This letter stated in part: "It will be appreciated if you would arrange to have this brought to the attention of Mr. James F. Byrnes, Secretary of State, at your earliest convenience." (65-56402-480)

A summary entitled "Underground Soviet Espionage Organization (NKVD) in Agencies of the United States Government" dated February 21, 1946, contained the information furnished by Elizabeth T. Bentley, whose identity was concealed, concerning William Henry Taylor. This summary was disseminated as follows:

To Attorney General Clark by letter dated February 25, 1946, marked "Personal and Confidential - By Special Messenger." A notation appears on our file copy "Delivered to Alice O'Donnell in AG's Office, Room 5711, 12:20 P.M., 2/26/46, E.F." (65-56402-573)

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JUN 11

A letter dated February 25, 1946, was addressed to General Vaughan at the White House, furnishing him with a copy of this summary. The letter was marked, "Personal and Confidential - By Special Messenger." A notation appears on our copy of the letter, "Delivered to Vaughan, 2/26/46, by R. Roach," and then the initials, "K.F." (65-56402-573) Our files also contain the original of the letter dated February 25, 1946, to General Vaughan. This was the summary which Vaughan, in turn, made available to Mr. Gregory, head of the War Assets Corporation, and came to our attention through Messrs. Joseph Carroll and Leo Laughlin, who were, at that time, on loan to the War Assets Corporation. The summary was later returned to General Vaughan, and we secured it from him. It is to be noted that a notation appears on this original letter in our files, "New summary dated 10/21/46 furnished George Allen for White House." (65-56402-573, 642)

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To James F. Byrnes, Secretary of State, by letter dated February 25, 1946. A notation appears on our file copy "Delivered to State Department 2/26/46 by R. R. Roach. E.F." (65-56402-573)

To Rear Admiral Sidney W. Howers, Director, Central Intelligence Group, by letter dated April 2, 1946. The Bureau copy reflects that this letter left the Communications Section on April 2, 1946. (65-56402-725)

To Frederick B. Lyon of the State Department by memorandum dated March 13, 1946, which was marked "Personal and Confidential, By Special Messenger." A notation appears on our file copy reflecting the memorandum cleared the Communications Section March 13, 1946. (65-56402-616)

To Admiral William D. Leahy by memorandum dated March 13, 1946. A notation appears on our file copy reflecting the memorandum cleared the Communications Section on March 14, 1946. (65-56402-655)

A memorandum from Mr. Ladd to the Director dated March 4, 1946, reflects that a copy of this summary was to be delivered to the Secretary of the Treasury Fred M. Vinson. A notation reflects this was delivered March 4, 1946, by Mr. Roach. (65-56402-529)

The memorandum of March 4, 1946, referred to above, also reflects a copy of this summary was being transmitted to [REDACTED] (S) (65-56402-529) b1

The memorandum of March 4, 1946, referred to above, also indicated a copy of this summary was being sent to [REDACTED] (S) (65-56402-529) b1

A summary dated July 25, 1946, entitled "Soviet Activities in the United States" was furnished to the Attorney General by memorandum dated July 25, 1946, pursuant to a request of the Attorney General by Clark M. Clifford, Special Counsel to the President. Under the heading "Government Underground" Elizabeth Bentley's allegations were summarized naming principal

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persons employed in the U. S. Government who were said to have engaged in Soviet espionage. Taylor was included in this group. This summary was for the President's use in connection with the Paris conference on July 29, 1946. (This information was taken from a tickler copy of a memorandum from Mr. Ladd to the Director dated August 24, 1946. Bureau files are being reviewed concerning this matter.)

A summary dated October 21, 1946, entitled "Underground Soviet Espionage Organization (NKVD) in Agencies of the United States Government" (65-56402-1862) contains the allegations concerning Taylor as furnished by Elizabeth Bentley. This summary was disseminated as follows:

To the Attorney General by memorandum dated November 27, 1946, which cleared the Communications Section on the same date. (65-56402-1756)

An additional copy of this summary was furnished to the Attorney General by memorandum dated December 2, 1946, which cleared the Communications Section on December 3, 1946. (65-56402-1754)

To George E. Allen, Director, Reconstruction Finance Corporation, Washington, D. C., by memorandum dated December 16, 1946, marked "Personal and Confidential, By Special Messenger." This was personally delivered on December 20, 1946. (65-56402-1817)

To the Secretary of State by letter dated November 25, 1946, which cleared the Communications Section on November 26, 1946. (65-56402-1836)

To A. Devitt Vanech, Special Assistant to the Attorney General, by memorandum dated December 6, 1946, which cleared the Communications Section on December 9, 1946. (65-56402-1837)

To T. Vincent Quinn, Assistant Attorney General, two copies were furnished on July 23, 1947, and an additional copy personally delivered on August 7, 1947. (This information was taken from a tickler

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copy of a memorandum dated September 4, 1948, concerning persons named by Elizabeth Bentley. Bureau files are being reviewed concerning this.)

To Frederick B. Lyon, State Department, by letter dated December 12, 1946, which was personally delivered on December 13, 1946. (65-56402-1059)

To T. Vincent Quinn, Assistant Attorney General for Ed Foley, Treasury Department, by memorandum dated March 6, 1949. (This information was taken from a tickler copy of a memorandum dated September 4, 1948, concerning distribution of information regarding persons named by Elizabeth Bentley. Bureau files are being reviewed concerning this.)

Loyalty of Government Employees:

Based on information received from the Washington Field Office by letter dated April 24, 1949, to the effect that Taylor had been recommended by Gregory Silvermaster and had worked under the supervision of Harry Dexter White at the Treasury Department, a Loyalty investigation was initiated on Taylor as a Treasury Department employee. This investigation was discontinued on June 16, 1949, on receipt of information that Taylor resigned his position with the Treasury Department. No information was disseminated. (121-7370)

Security Investigation and United Nations Loyalty Investigation:

On March 11, 1949, a separate Security Matter - C investigation was initiated on Taylor based on the information furnished by Elizabeth Bentley as set forth previously. This investigation was closed on June 5, 1953, in view of the initiation of an investigation under the United Nations Loyalty Program. The results of the Security Matter - C investigation were furnished to the Department of Justice and the Department of State. (A detailed review is being made to establish the extent of additional dissemination of the reports in this case.)

The UN Loyalty investigation like the Security Matter - C investigation was initiated on the basis of Elizabeth Bentley's allegation that Taylor was an associate of Nathan Gregory Silvermaster and Harry Dexter White and was a member of the Silvermaster Espionage group. The UN Loyalty investigation, initiated on May 5, 1953, was by virtue of Taylor's employment with the International Monetary Fund, an international organization

covered by the UN Loyalty Order.

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On recontact during the UN investigation, Bentley said that she had no proof of Taylor's Communist Party membership and did not know him personally, but had been told that he was a Communist by Nathan Silvermaster and Ludwig Ullman when she described as Communist Party members as well as members of the Silvermaster Espionage ring.

During the UN Loyalty investigation, Charles Leemis, Executive Secretary, Institute of Pacific Relations, Honolulu, described Taylor as a paid member of the Institute of Pacific Relations in 1937, 38 and 39. The American Council, Institute of Pacific Relations, has been cited by the California Committee on Un-American Activities.

[REDACTED] efw

[REDACTED] b7D

[REDACTED]

He was mentioned in hearings outside purview conducted by various Congressional Committees, 80th Congress, regarding the printing of occupied currency and specifically concerning the turning over of certain currency materials by the United States Government to the Russian government. These hearings reached no conclusion as to the validity or propriety of this transaction. Information developed in the UN Loyalty investigation was furnished the Civil Service Commission by Special Messenger on July 17, 1953, August 11, 1953, and September 15, 1953. This information was also furnished the Department of Justice and the Department of State by mail and to Special Assistant to the Attorney General Thomas J. Denegan by mail through the New York Office in the same dates. FOIA

On October 31, 1953, Bentley testified before the McCarthy Committee (open hearing) that the Soviet underground apparatus was attempting to obtain the money plates for the

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occupation currency described above.

[REDACTED]

This information was incorporated in supplemental reports under the UN Loyalty Program and was furnished the Civil Service Commission by Special Messenger FC 1A on November 5, 1953. This data was also furnished the Department of Justice by mail and the Special Assistant to the Attorney General Donagan by mail through the New York Office on the same date. (138-343)

Regarding the UN Loyalty case, the Bureau has received information from the United Nations Loyalty Board that the United Nations case is presently under adjudication by the Board. In connection with this adjudication, Mr. Pierce Gerety, Chairman of the United Nations Loyalty Board, together with Chairman Young of the Civil Service Commission, called at the Director's office on October 19, 1953. Pursuant to Mr. Gerety's conversation with the Director, he was contacted by Bureau Liaison agent on October 29, 1953, at which time he expressed the desire that the Bureau interview Elizabeth Bentley. This was done in accordance with his request and the results were furnished the Commission on November 5, 1953. Elizabeth Bentley again refused to testify before the United Nations Loyalty Board even on an informal basis.

The domestic aspects of this investigation are completed. Foreign investigation being conducted by the State Department is still pending.

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PERSONAL AND CONFIDENTIAL

April 15, 1948

THE ATTORNEY GENERAL

Director's Office

PERLO

15-56402-3205

If any official of the Department made this suggestion or concurred in this program, it certainly was done without the knowledge of the Federal Bureau of Investigation. As a matter of fact, I desire to point out that the maintenance of Perlo in Government employment was not continued either at the suggestion of any representative of the Bureau or with the concurrence of the Bureau.

You will recall that as early as March 4, 1946, a detailed summation of the Gregory Case, including the participation of Treasury employees, was furnished to the Secretary of the Treasury. At the request of Mr. Lawson Hoyer, of the Personnel Investigations Section of the Treasury Department, he was furnished on September 12, 1946, with a general summation of Perlo's activities.

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn
Mr. Nease

G. I. R. 9

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DEPT

73 APR 23 1948
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VINEY
CON

U. S. DEPT. OF JUSTICE
APR 15 1948
U. S. DEPT. OF JUSTICE

b7D

The Attorney General

The Treasury Department received a request in March of 1947, from the State Department, for a recommendation to fill the position of Treasurer of the Intergovernmental Committee on Refugees. Glasser of the Treasury Department recommended Perlo for the State Department post without advising the State Department of the charges which had been made against Perlo, Glasser believing that this would be a desirable way of removing Perlo from the Treasury Department rolls. Glasser discussed this procedure with Mr. Spingarn of the General Counsel's Office of the Treasury Department, who was aware of the allegations made against Perlo. Fortunately in this regard, the State Department determined Perlo's background and did not hire him for this post.

It seems to me entirely improper for the Treasury Department to attempt to justify their ill-advised and dangerous action in continuing Perlo in a position where he had access to confidential, classified and restricted material, after they had learned of his participation in an espionage ring by alleging at this late date that their inaction was predicated upon a suggestion from or carried out with the concurrence of the Justice Department. The fact that Perlo was notified by Glasser that he should leave the Treasury Department for loyalty reasons clearly indicates the falsity of the Treasury Department's position. Later it is noted that Foley counseled Glasser's instruction, but that at an even later date Glasser with full knowledge of Perlo's espionage activities recommended him to the State Department for the purpose of removing him from the Treasury Department.

These facts, it seems to me, clearly indicate that the entire course of action followed by the Treasury Department was predicated upon their own views and without any reference to any opinion or suggestion emanating from the Department of Justice.

The Attorney General

I feel, consequently, that the Treasury Department, and the Treasury Department alone, should accept the responsibility for what was exclusively their own course of action.

I have set forth these facts in some length because as I have indicated I am advised that you will be approached directly or indirectly to share the responsibility for this matter with the Treasury Department.

134

CC 47

December 8, 1947
6:30 p.m.

Mr. Tolson
Mr. E. A. Tamm
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

MEMORANDUM FOR THE DIRECTOR

Mr. Gus Vanech telephoned to state that the Attorney General had talked to him about the Gregory case. Mr. Vanech stated that several months ago, the Attorney General had instructed Vanech to talk to Assistant Secretary Foley who had requested to see the Attorney General to talk about the identity of Treasury Department employees involved in this case.

Vanech stated that in today's talk, Clark apparently had some indication that the Treasury Department was dissatisfied with the action of the Department in the Gregory case. Clark interrogated Vanech as to whether he had seen Foley, what he had told him, etc. Vanech told Clark that upon his instructions several months ago, he had talked to Foley, advised him that some employees or former employees had been "mixed up" in this case and that Foley had demanded to know who the Bureau's informants were and that Vanech had declined to identify the informants, although he advised Foley they were reliable and that their statements had been corroborated.

Vanech told the Attorney General that Foley was hostile and critical but that Vanech had pointed out to him that the Bureau had, very early in the case, furnished to then Secretary of the Treasury Vinson a summarization of the case within a short time after the basic facts had been established. (Our records show that we did furnish a copy of the initial summary in this case to Secretary Vinson on March 4, 1946). Vanech told Foley that this report had subsequently been lost by the Treasury Department. He further told Foley at the time of the interview with him that the case was still under active investigation. Vanech also told the Attorney General that you had talked to Vinson in the Treasury Department direct about this case many months ago, which fact Vanech stated you had informed him about.

Respectfully,

RECORDED

Edw. A. Tamm

EAT:ml

In fact the A. G., Vinson & I had lunch in A. G.'s office at which time the matter was widely discussed.

Best copy available

58

February 24, 1947

SIRSPH

MEMORANDUM FOR MR. TOLSON
MR. EAMM
MR. LARD

I returned the Assistant to the Attorney General
McGregor's telephone call and he advised that Assistant
Secretary of the Treasury, Edward H. Foley, Jr., had just
called him and said that he had had a conference with the
Attorney General in reference to getting some information
supplementing the file they have on the Gregory case and
that he, Foley, had asked the Attorney General to get it
for him. He stated that Foley mentioned that the Attorney
General has said that he was going to talk to me about it
and that Foley was very anxious to get it.

G.I.R. - 6

I suggested that Foley not be given any information
and told him that the Attorney General talked to me on this
matter last week. I advised him that the Attorney General
outlined to me the way he proposed to handle the case and that
he, the Attorney General, was of the opinion that, pending his
decision, no more information on this case should be given to
the Executive Departments. I told Mr. McGregor that the Attorney
General gave me the impression that he was going to advise the
Secretary of Treasury.

I advised Mr. McGregor that the Secretary of Treasury
called me the following day and that I believed Foley was with
him at the time. The Secretary asked me if the Attorney General
had talked to me on this matter and I advised that he had.
I then advised the Secretary that the Attorney General had not
decided what course he would take and that he, the Attorney
General, felt that pending that determination, no further action
should be taken by the other government agencies until he makes
the decision as to what this Department will do from either the
investigative or prosecutive angle. I told the Secretary that,
no doubt, the Attorney General would keep him advised of develop-
ments along that line.

RECORDED BY
TOP INDEX

7

165-56402-2060

I told Mr. McGregor that the Secretary did not want
to be subjected to an exposure by some outside investigation and
that I had assured him that insofar as the Department of Justice
is concerned, the Attorney General would advise him just as soon
as it is safe in his estimation for administrative action to be
taken by the various departments.

- Tolson
- E. A. Tamm
- Clark
- Glavin
- Ladd
- Nichols
- Rosen
- Tracy
- Carson
- Egan
- Gurnea
- Harbo
- Harbo
- Quinn
- Nease
- Gandy

1947 20-47

59
MEMORANDUM FOR MESSRS.
TOLSON, Tamm, Ladd

- 2 -

January 24, 1941

In view of this, Mr. McGregor thought it best not to tell Foley anything and to let the Attorney General inform the Secretary of Treasury of anything he wants him to know. I pointed out that I was a bit skeptical of their being so anxious to get this information and that I am fearful of the "pipelines" from the Treasury Department to various columnists. I told the Assistant Attorney General that it was undoubtedly Foley, in collusion with Stephen J. Spingarn, an assistant general counsel for Treasury, who were more concerned about this matter than the Secretary.

Very truly yours,

John Edgar Hoover
Director

JEH:rpk/djk

cc - Mr. Nease
Telephone Room

64

February 10, 1947

3:15 PM

MEMORANDUM FOR MR. TOLSON
MR. TAMM
MR. LADD

W. H. Clegg

The Secretary of the Treasury, John W. Snyder, telephoned me and asked if the Attorney General had talked with me about the Gregory Case.

I advised him that he had and that he felt there should be some further inquiry, by grand jury or otherwise, before taking any open action, however he had not yet reached a decision. I told the Secretary that he contemplated bringing in an expert in that type of work and having him analyze these reports before proceeding in the case. I explained that the idea behind this was to have these various people interviewed by our investigators or have some of them taken before the grand jury for further interrogation without any publicity.

I advised that the Attorney General thought there was an inclination on the part of some of the officials in the Treasury Department to interview these people themselves. The Secretary said that this was so because they did not want to be surprised by being exposed suddenly.

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I further advised the Secretary that about three weeks ago the Attorney General had decided to take no further prosecutive or investigative action and that at that time I had suggested sending to each of the Departments a summary of what we had in our files. I reminded the Secretary that some of it had already been sent to him. I told him that the Attorney General had then agreed to this but now he feels that there is a need for further investigation by this Bureau or for interviews of these people by attorneys who might later wish to present it to a grand jury. I pointed out that if such is the case, any interviews by the various Departments should be deferred until we have disposed of what we want to do on the matter.

RECORDED
65-5447-2056

I emphasized the fact that it was my understanding that before any open action was taken the individual Departments would be advised and assured the Secretary that I would keep him informed on this matter.

Very truly yours

J. E. H.
John Edgar Hoover
Director

Jul 5
209

- Tolson
- E. A. Tamm
- Clegg
- Glavin
- Ladd
- Nichols
- Rosen
- Tracy
- Harbo
- Quinn
- Nease
- Tele. Room
- Holloman
- Gandy

TIME 6:40 PM
Feb 10 1947

60 FEB 26 1947
Telephone Room

D. H. Ladd

A. E. Belmont

HARRY DEXTER WHITE
ESPIONAGE - R

SYNOPSIS

~~CONFIDENTIAL~~

November 11,
1953

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/25/83 BY SP-5/rjg/ky

I am covering in this memorandum two of your requests (1) for any information concerning the fact that the Federal Grand Jury in New York was incensed concerning persons employed by the Treasury Department and wanted to return a presentment, but were placed on the Communist Party Briefs, and (2) information concerning the action taken by Edward E. Foley, Jr., former Assistant Secretary of the Treasury, and Harold Glasser, Director of the Division of Monetary Research of the Treasury Department, in 1947 in retaining Victor Perlo for a time in the Treasury Department. These two matters are related and consequently are being treated together.

DECLASSIFIED BY 3042 RUT/JS
ON 12/13/88

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Declassify on: OADR

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Attachment
101-4053

cc - 65-50404

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5 2 NOV 20 1953

~~CONFIDENTIAL~~

165-56402-✓
NOT RECORDED
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INITIALS ON ORIGINAL

~~CONFIDENTIAL~~

was trying to get a commitment from the Attorney General that the Treasury Department had held off from taking administrative action in the case in order to avoid interfering with the investigation. He learned that the Attorney General felt he might have so indicated to the Treasury Department at an earlier date. When we learned of this matter, we directed a memorandum to the Attorney General on April 15, 1948, in which we said we had not been a party to telling the Treasury Department to hold off from any action against their employees and if it had happened it had been without our knowledge.

In a memorandum from the Director to Mr. Tolson dated February 19, 1947, the Director set forth that the Secretary of the Treasury, John W. Snyder, had asked the Director whether the Director had discussed the Gregory case with the Attorney General. The Director advised Mr. Snyder that about three weeks previous thereto the Attorney General had decided to take no further prosecutive or investigative action and at that time the Director had suggested sending to each of the departments a summary of what was in the FBI files. The Director reminded the Secretary of the Treasury that some of this information had already been sent to him. However, the Attorney General felt there was a need for further investigation by the FBI and that, therefore, it was the Director's understanding that "before any open action was taken the individual departments would be advised." The Director assured the Secretary that he would be kept informed on the matter (see Photostat attached).

In a memorandum from the Director to Mr. Tolson dated February 24, 1947, the Director pointed out that Assistant to the Attorney General McGregor said Foley of the Treasury Department wanted more information. The Director pointed out to Mr. McGregor the Attorney General had said, pending a decision relative to prosecution or further investigation, no further information was to be given out to executive departments and the Attorney General would advise him just as soon as it was safe for administrative action to be taken by the various departments.

In a memorandum from Mr. E. A. Tamm to the Director dated December 8, 1947, it was set forth that Mr. Vanech had indicated the Treasury Department wanted more information on Treasury employees involved in the Gregory case and Foley wanted to know who the informants were but Mr. Vanech declined to provide this information. Foley was described as hostile and critical and it was pointed out to Mr. Vanech that we had previously given a summary on the case to Secretary Vinson.

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We have not been able to locate any other information in our files which definitely shows the Federal Grand Jury in New York which heard the Gregory case and was so incensed about the Treasury Department employees was sidetracked by placing them on the Communist Party Brief. It is a fact that the same grand jury which heard the Gregory case was placed in recess in April, 1946, reconvened on June 22 and on July 20, 1946, returned indictments under the Smith Act.

RECOMMENDATION:

The foregoing is for your information in connection with this matter.

DETAILS:


The Gregory case was presented to a Federal Grand Jury in the Southern District of New York beginning on June 10, 1947, by T. Vincent Quinn, Assistant Attorney General in charge of the Criminal Division, and T. J. Donagan, Special Assistant to the Attorney General. The Grand Jury recessed its proceedings on December 3, 1947, and reconvened on January 20, 1948.

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b3 Rule 6e

Th
last testimony of the Grand Jury was heard on April 7, 1948. Thereafter, on its own motion, the Grand Jury agreed to reconvene on April 13, 1948, to discuss the possibility of securing corroboration of Bentley's testimony. However, upon reconvening, no action was taken. The Grand Jury met again on May 4, 1948, and again adjourned. The Grand Jury reconvened on June 22 and on July 20, 1948, returned indictments under the Smith Act.



b3 Rule 6e

In a memorandum from Mr. Ladd to Mr. Tamm dated March 26, 1948, it was pointed out that Mr. Donagan called and said he and Mr. Quinn had talked to the Grand Jury and had reviewed the law on the Gregory case and that there would be no indictment. The Grand Jury had raised the question of a presentment and Mr. Quinn was opposed to any presentment. He said some consideration was being given to having the Gregory Grand Jury hear the evidence on the brief of the Communist Party. (65-56402-3183)

In a memorandum from Mr. Nichols to Mr. Tolson dated March 31, 1948, Mr. Nichols raised the question of the advisability of having the Grand Jury make a presentment on the case. The Director stated: "I was vigorously opposed to submitting matter to the Grand Jury originally and so stated to the AG both orally and in writing. I stated then it would end up just as it has. He chose to disregard my recommendation. There is no use giving any advice now. E." (65-56402-3150)

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In a memorandum from Mr. Fletcher to Mr. Ladd dated March 31, 1948, it was pointed out that Mr. Belmont had discussed with Mr. Quinn and Mr. Donagan the presentation of the case against the Communist Party to the Grand Jury which had been considering the Gregory case. The Grand Jury had advised it would like to hear the case and inquired as to how long it would take to present it. (65-56402-3181)

In a memorandum from the Director to Mr. Tolson dated April 1, 1948, it is set forth that the Director had talked to Mr. T. Vincent Quinn on March 27, 1948, who had pointed out that the Grand Jury was about to conclude its work. Mr. Quinn said the Grand Jury was very aroused and incensed at the actions of the participants in the Gregory case and that it wanted to do something about it but there was no adequate law to warrant the bringing of indictments and Mr. Quinn doubted the advisability of a presentment. The Director pointed out to Mr. Quinn that he was not at all surprised at the outcome of the matter and had originally, both in writing and orally, strongly urged the Attorney General not to present the Gregory case to a Grand Jury. The Director pointed out to Mr. Quinn that the matter of bringing in a presentment was one in which he must make the determination.

Mr. Quinn brought up the question of submitting the Communist Party Brief to the same Grand Jury and the Director said he felt the brief should be thoroughly reviewed and digested by several "real lawyers" prior to presenting it to a Grand Jury and that it should not be done without a proper preliminary review. (65-56402-3179)

In a memorandum to the Director from Mr. Ladd dated April 14, 1948, it was pointed out that Mr. Quinn had called and said that the b3 Rule 6e

[REDACTED]

Mr. Quinn stated he objected to the Attorney General's being put in this category but the Attorney General was of the opinion he might have made some such commitment.

Mr. Ladd advised Mr. Quinn that insofar as the Bureau was concerned the Treasury Department did not continue to employ these people at the request of the FBI; that any action which the Treasury Department took was strictly its own action.

(65-56402-3205)

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On April 15, 1948, a memorandum was directed to the Attorney General

MD
[REDACTED]
Communist espionage ring. The following paragraph appears in the letter:

"If any official of the Department made this suggestion or concurred in this program, it certainly was done without the knowledge of the Federal Bureau of Investigation. As a matter of fact, I desire to point out that the maintenance of Perlo in Government employment was not continued either at the suggestion of any representative of the Bureau or with the concurrence of the Bureau."

We then pointed out that Harold Glasser, Director, Division of Monetary Research, Department of the Treasury, after receiving the FBI information about Perlo in November or December of 1946, advised Perlo that he would have to leave the Treasury Department. Later, Foley of the Treasury Department advised Glasser that the Treasury Department had made a mistake in telling Perlo to leave the Treasury Department and Perlo was allowed to continue. Later, the Treasury Department received a request in March of 1947 from the State Department for a recommendation to fill the position of Treasurer of the Intergovernmental Committee on Refugees and Glasser recommended Perlo without advising the State Department of the charges made against Perlo. The State Department, however, learned of Perlo's background and did not hire him. (65-56402-3205)

In a memorandum to Mr. Tamm from Mr. Ladd dated April 16, 1948, it was pointed out Mr. Quinn had said the question of the Grand Jury bringing in a presentment was still up in the air inasmuch as the Attorney General was opposed to returning any presentment. (65-56402-3209)

On April 29, 1948, in a memorandum from the Director to Mr. Tolson it was pointed out that the Director had spoken to Mr. Donegan on April 28, 1948, and a mention was made of the fact that the Grand Jury had been anxious to return a presentment criticizing OSS and the Treasury Department for the retention in their services of individuals with subversive backgrounds and for the failure of the Treasury Department to act upon information that had been submitted to it by the FBI. Mr. Donegan said Mr. Quinn had informed him that the Attorney General did not desire any such presentment and was considering writing a letter

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to the effect that the retention of subjects in the Gregory case by the Treasury Department was made at his suggestion in order that the investigation would not be imperiled. The Director pointed out he had heard of this matter and had written a letter to the Attorney General concerning it and that insofar as the FBI was concerned it had at no time directly or indirectly indicated that persons should be retained by the Treasury Department in order not to interfere with any investigation being conducted by the FBI. (65-56402-3224)

On April 23, 1948, in a memorandum from Mr. Ladd to Mr. Tamm, it was pointed out that Mr. Donegan had confidentially furnished a proposed statement relative to why no action was taken by the Treasury Department on persons who were employed by the Treasury. Mr. Donegan said he did not know whether the statement would be actually introduced but it was proposed to do so.

The statement which relates to Victor Perlo's being retained in the Treasury Department after disloyal information on him was furnished reads as follows:

"It should be stated that after such information was received representatives of the Treasury Department conferred with representatives of the Attorney General's office and inquired if they could be given detailed information and the names of witnesses regarding the alleged disloyalty of Victor Perlo. At that time, the Treasury Department representatives were informed that to give such detailed information and witnesses for this purpose would be inadvisable."

The Director commented in connection with the foregoing: "This is the first I ever knew of any such conference or advice being given to the Treasury. E." (65-56402-3226)

Pursuant to a request from Mr. Hennrich, Supervisor McAndrews of the New York Office telephonically advised on November 10, 1953, that he and Special Agent Thomas Spencer had interviewed Mr. Donegan to determine whether he has any recollection concerning the Grand Jury in the Gregory case wanting to return a presentment against the Treasury group. Mr. Donegan advised that he had no independent recollection of the matter but would check his files on November 12, 1953, and let the Bureau know if he comes up with anything pertinent.

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Earlier Action Relating To The Treasury Department:

In a memorandum from the Director to Mr. Tolson dated February 19, 1947, the Director set forth that he had talked on the telephone with the Secretary of the Treasury, John F. Snyder. The Director indicated he had talked to the Attorney General concerning the Gregory case. The Director informed Mr. Snyder that the Attorney General felt there should be some inquiry by a Grand Jury or otherwise before taking any open action in the case but a final decision had not yet been made. The Director pointed out to Mr. Snyder that about three weeks previous thereto he had suggested sending to each of the departments a summary of what was in the FBI files and the Director pointed out to the Secretary of the Treasury that some of it had already been sent to the Treasury Department. The Director pointed out the Attorney General felt there was a need for further investigation or for interviews with the persons involved by attorneys who might later wish to present the case to a Grand Jury. The Director pointed out if such were the case interviews by the various departments should be deferred. The Director further pointed out that it was his understanding that before any open action was taken the individual departments would be advised. The Director assured the Secretary that he would be kept informed on the matter.

In a memorandum from the Director to Mr. Tolson dated February 24, 1947, the Director pointed out that Assistant to the Attorney General McGregor said Foley of the Treasury Department wanted more information on the Gregory case. The Director suggested that Foley not be given any information as the Attorney General had stated earlier that no more information on the case should be given to the executive departments. The Director pointed out to Mr. McGregor that the Secretary of Treasury had been in telephonic contact with the Director and had been informed that, according to the Director's understanding, the Attorney General felt no further action should be taken by other Government agencies until a decision was made as to what the Department would do from either the investigative or prosecutive angle and that the Attorney General would advise him just as soon as it was safe for administrative action to be taken by the various departments.

In a memorandum from Mr. E. A. Tamm to the Director dated December 8, 1947, it is set forth that Mr. Vanech had indicated the Treasury Department wanted more information on Treasury employees involved in the Gregory case and Foley

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wanted to know who the informants were but Mr. Vanech declined to provide this information. Foley was described as hostile and critical and it was pointed out to Mr. Vanech that we had previously given a summary to Secretary Vinson. The Director pointed out: "In fact the AG, Vinson and I had lunch in the AG's office at which time the matter was widely discussed. H." (65-56402-2922)

There are attached Photostats of the memorandum from the Director to Mr. Tolson dated February 10, 1947; the memorandum from the Director to Mr. Tolson dated February 24, 1947; the memorandum from Mr. Tamm to the Director dated December 8, 1947; the memorandum from Mr. Ladd to the Director dated April 14, 1948; and the memorandum to the Attorney General dated April 15, 1948.

Identity of Victor Perlo:

Victor Perlo was born in East Elmhurst, New York, May 16, 1912 (Perlo claims, however, that he has always used the birth date May 15, 1912). He was educated at Columbia University. Perlo's employment with the Federal Government began in September, 1933, and continued until March 27, 1947, with the exception of the period October 1, 1937, to October 27, 1939. For the period December 17, 1945, to March 27, 1947, he was employed as an economic analyst in the Division of Monetary Research, US Treasury Department. Since leaving the employ of the United States Government, Perlo has been employed as an economic consultant. Perlo was reported to have been a Communist Party member as early as 1933 and to have been a member of a cell in Washington, D. C., headed by Harold Fare. J. D. Whittaker Chambers advised that he acted as a Communist courier between J. Peters in New York and a group of Government employees in Washington, D. C., and that Victor Perlo was a member of this group. Elizabeth T. Bentley advised that Victor Perlo was the head of a group of Government employees in Washington, D. C., who furnished information to her for transmittal by her to her Soviet espionage superior. Victor Perlo was requested by the Department of Justice to register under the Foreign Agents Registration Act of 1938, as amended, but Perlo on January 30, 1953, refused to register, stating he did not consider himself to be an agent of a foreign principal. He appeared before the House Committee on Un-American Activities on August 9, 1948, and claimed the privilege of the Fifth Amendment.

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Identity of William E. Foley, Jr., Former Assistant Secretary of Treasury

~~CONFIDENTIAL~~
Foley was born May 23, 1900, at Syracuse, New York, and is a graduate of Fordham University. He has been in the employ of the Federal Government since 1932, having served as an attorney with the Reconstruction Finance Corporation from 1932 to 1933, the Federal Emergency Administration from 1933 to 1937 and the Treasury Department from 1937 to 1942. He resigned to join the United States Army as a Lieutenant Colonel in 1942 and was later promoted to a Colonel. In May of 1947, the Congressional Directory listed Foley as an Assistant Secretary of the Treasury in charge of the Coast Guard, Narcotics, Mint, Engraving and Printing, Chief Coordinator, Treasury Enforcement Agencies, Secret Service, Comptroller of the Currency and Procurement Division.

Our files disclose that Harold Glasser on November 10, 1940, received an invitation from Mr. and Mrs. Foley to attend a cocktail party at their home on November 15, 1940, in the honor of the Secretary of the Treasury and Mrs. Snyder.

[Handwritten initials: KS, U]

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Tolson
FROM : L. B. Nichols

DATE: November 11, 1953

SUBJECT:

Gregory

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/5/83 BY SP-5 [signature]
12/12/88 3042 [signature]

Bob Morris advised me this morning that he had seen William Rogers. Rogers was concerned chiefly with finding a way to get Velde out of holding any hearings on the Harry Dexter White case. Morris stated that the approach of the Internal Security Committee is going to be to get back to where they left off in September, and with reference to Harry Dexter White, he told Rogers that he was going to put into the record the fact that a request had been made of the Department for information on the White memorandum on October 14. This, you will recall, was the request which Jim Walter made of Walter Yeagley. Rogers did not particularly like this. Morris stated he did not protest it.

Morris stated that their approach was going to be to bring out the names of eight individuals, in addition to Harry Dexter White, who got promotions after substantial information was developed on them, which promotions occurred subsequent to 1945. I asked him for a list of the individuals involved. He mentioned the following: Frank Coe, Harold Glasser, Irving Kaplan, Maurice Halperin, Alger Hiss, Harry Magdoff, Edward Fitzgerald and Victor Perlo.

Morris stated that he considered that Harold Glasser was the most important of the above-listed individuals since Glasser went to Moscow with General Marshall to attend the Foreign Ministers Conference, and subsequently was Adviser to former Secretary of State Acheson. In addition, Glasser conspired with Victor Perlo to shift Perlo out of the Treasury Department into the State Department, and he thought that this would be a highlight. Caudle is going to be one of their key witnesses in these cases.

cc: Mr. Ladd
Mr. Belmont

LBN:arm

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Tolson

DATE: 11/13/53

FROM : H. H. Clegg

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 12/13/88 BY SP-5 [signature]

SUBJECT: MEETING OF THE ASSOCIATION OF THE BAR
OF THE CITY OF NEW YORK

Attached is the program entitled "The FBI and Anti-trust Litigation" for a meeting held last night in New York City. About 200 were present. Mr. Jerrold G. Van Cise presided. I was the first speaker and took the very simple issue that the FBI was merely the fact-finder, did not participate in fixing policies of antitrust enforcement and we followed specific instructions as to the scope and extent of antitrust investigations that the FBI was a service agency for those firms who desired to cooperate since our Agents' presence was for the convenience of the company and their counsel to avoid then shipping their numerous records to Boston, Chicago or Los Angeles or other place of venue for grand jury examination. Also that we took up less time of company officials by making our investigations and that our investigations provided the accused another day in court since any documents and any statements which they wanted to produce could be submitted by us to the Antitrust Division for administrative decision as to whether further action is necessary. I discussed instances of fraudulent attempts to conceal information.

After the talk by Mr. Marcus A. Hollabaugh of the Antitrust Division, who is a former Special Agent and a very profound and learned talk by Mr. Ralph M. Carson, an attorney in New York, the meeting was opened for questions and answers. I received only two series of questions and they were not hostile. Mr. Carson and Mr. Hollabaugh were both complimentary concerning the objectivity and fairness of the Bureau's work. Former Agent Jerome Doyle was one on the panel of questioners. Former Agent Supervisor Granville of the New York Office, now in private business, was also present.

The only points of discord were on legal matters as between Carson and Hollabaugh, yet it was a friendly meeting, at least friendlier than anyone expected.

Ex-Agent Doyle asked that his greetings be extended to the Director and to his many friends in Washington.

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Attachment

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INITIALS ON NOV 19 1953

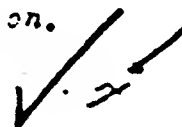
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Former Agent Granville advised that earlier this week there had been a meeting of the Ex-Agents Association in the Waldorf-Astoria when it was learned that former President Truman was about two floors above them so they sent word to him that they were having a meeting and the former President came down to the meeting and very informally and very pleasantly made a little talk. He made several highly complimentary comments concerning the Bureau, the exact details Granville did not remember but there was nothing of an unfriendly nature and nothing unfriendly in tone.

Mr. Van Cise, who presided, told me that Mr. Morris Ernst had made a radio talk the night before and had pointed out that the FBI did not draw conclusions and accuse Harry Dexter White of being a spy and he also suggested that President Truman had every right to decline answering the subpoena from the House Committee.

RECOMMENDATION:

None. The above is for information.



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EXCEPT WHERE SHOWN
OTHERWISE

12/13/88 3042 WTS/BS
DECLASSIFIED BY SP7 MK/ATC
ON 12-19-88

November 14, 1953

MEMORANDUM FOR MR. TOLSON
MR. NICHOLS
MR. LADD

Classified by SP5 Ryt/te
Declassify on: OADR
CONF 217570

This afternoon the Attorney General called and asked me to see him and upon my arrival the Attorney General was alone.

The Attorney General stated he was working over his ideas for use in the statement which he proposed to prepare to make before the Jenner Committee next Tuesday afternoon. He reviewed some of the highlights of the ideas which he had, namely, that he wanted to use the letter of transmittal dated February 1, 1946 which was delivered to General Vaughn on February 4, 1946 with the report attached. It was not the Attorney General's intention to use this report, but he asked me to check over the letter and wanted to know if it might be used in his statement if he saw fit to do so. The Attorney General stated that as he understood the situation, Attorney General Clark had told me he had talked with the President about the White Case. I informed the Attorney General this was correct as reflected in my memorandum of February 21, 1946 and as reflected in my memorandum of February 25, 1946 wherein it was stated the Attorney General, the Secretary of State and the Secretary of the Treasury would see the President in order to brief him as to the three possible lines of action which he might take in the Harry Dexter White Case. I also told the Attorney General that on February 24, 1946, Attorney General Clark informed me he had seen the President and it was desired the investigations which the Bureau had previously initiated on Harry Dexter White and his associates be carried forth, including surveillances. The Attorney General inquired of me as to whether I had any objection to his making a statement to the above effect before the Jenner Committee. I told him there was none.

I told the Attorney General that in the discussion of the three alternatives to be taken by the President in the White situation, the third one, which related to the appointment of White to the position in the Monetary Fund and the surrounding of him by persons who might be loyal, that I had been asked by the then Attorney General Clark whether the Bureau could continue its investigation and surveillance of White should the President decide to follow that particular alternative. I told the Attorney General that I had informed former Attorney General Clark that this of course could be done.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/23/83 BY SP5 Ryt/te

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NOT RECORDED
NOV 18 1953

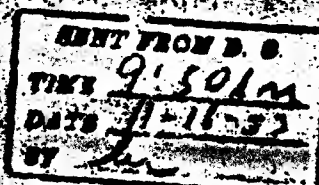
~~CONFIDENTIAL~~

as the surveillance of White had been initiated in November of 1945 and that there was no reason why it could not be continued. I advised the Attorney General as a matter of fact it was continued, and was not discontinued until May 16, 1947. I also told him that the physical surveillance was initiated in November, 1945 and was likewise continued on White, off and on, throughout 1945, 1946, 1947 and 1948. X

Upon returning to my office I checked with Mr. Ladd as to the use of the letter of February 1, 1946, by the Attorney General and Mr. Ladd stated the reference to Weinstein should be blocked out if used. Mr. Ladd also noted reference to Zubilin which might alert the Soviets that we were investigating Zubilin's contacts, one of which is still in active operation. Mr. Ladd and I both agreed that this might not be particularly fatal to the current investigation. Mr. Ladd also called to my attention the fact that this letter if used would be the first official statement by the Executive Department that there was espionage being carried on by the Russian Embassy. Mr. Ladd also called attention to the last paragraph of the letter of February 1, 1946, relative to the fact that the information came from the Canadian Government. I returned to the Attorney General's Office and brought all these facts to the Attorney General's attention and agreed the letter of February 1, 1946 would be used if necessary with Weinstein's name being blocked out. At that time the Attorney General asked whether there was any objection to also using the letter of November 8, 1945 and since this had been previously cleared with Mr. Ladd and Mr. Belmont I informed him there was no objection to the use of that letter. As I was leaving the Attorney General's Office, Mr. Olney, who was present upon my second visit along with Mr. Yeagley, asked if I knew anything about the story that a copy of an FBI report dealing with Soviet Espionage had been found in the desk of Silvermaster. I told Mr. Olney that I did not recall any such incident and I have asked Mr. Ladd to check on the same and let me know.

Very truly yours,

SP 2H
John Edgar Hoover
Director



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~~CONFIDENTIAL~~

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Tolson ✓

DATE: November 14, 1953

FROM : L. B. Nichols

SUBJECT:

HARRY DEXTER WHITE

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/23/83 BY SP-5 [signature]

12/13/88 3042 RWT/BS

Tolson
Ladd
Nichols
Belmont
Clegg
Glavin
Harbo
Rosen
Tracy
Gandy
Tele. Room
Holloman
Nease
Miss Gandy

For record purposes, Mr. Warren Olney requested copies of the Director's memorandum of February 21, 1946, the Director's memorandum of February 25, 1946, and referred to a memorandum dated February 1, 1949, addressed to the Bureau by Tom C. Clark acknowledging the Bureau's memorandum of January 17, 1949. Mr. Olney requested a copy of each of these memoranda. Copies have been furnished to him. Mr. Olney also requested advice as to whether Tom Clark's memorandum of February 1, 1949, had been acknowledged. He was advised that this was not acknowledged.

Copies of the memoranda which were furnished to Mr. Olney are attached.

cc: Mr. Ladd
Mr. Belmont

LBN:MP

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12/3/53

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NOT RECORDED

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68 DEC 10 1953

DEC 11 1953

ORIGINAL FILED IN 101-4052-8

Office Memorandum • UNITED STATES GOVERNMENT

TO : D. M. Ladd
 FROM : A. H. Belmont

DATE: November 16, 1950

SUBJECT: HARRY DEXTER WHITE
 ESPIONAGE - R

ALL INFORMATION CONTAINED
 HEREIN IS UNCLASSIFIED
 DATE 6/22/83 BY SP5/BJD/STP
 12/13/88 3042 WTS

In connection with the proposed statement which has been prepared for the Director's use in the event he is called upon to testify in this case, the question was raised as to the accuracy of the dates on which we stated information was furnished in connection with Virginius Frank Coe. The dates in question are February 25, 1946, to the White House; February 23, 1946, to the Attorney General; February 25, 1946, to the Attorney General; and March 4, 1946, to the Treasury Department. With the exception of the date February 23, 1946, all of the other dates refer to a summary, entitled "Underground Soviet Espionage Organization (NKVD) in Agencies of the United States Government," which was dated February 21, 1946, and was sent to the agencies mentioned above on the dates stated.

With respect to the date February 23, 1946, to the Attorney General, this relates to a short summary entitled "Underground Soviet Espionage Organization (NKVD) in Agencies of the United States Government," which was also dated February 21, 1946, and was sent to the Attorney General on February 23, 1946. Information on Coe does appear in both summaries.

RECOMMENDATION:

For your information..

101-4053
 RJL:blb

NOV 1950

FSP

-072

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. D. M. LADD

DATE November 16, 1953

FROM : MR. A. H. BELMONT

SUBJECT: HARRY DEXTER WHITE
ESPIONAGE - R
Bufile 101-4053

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Ladd —
Nichols —
Belmont —
Clegg —
Glavin —
Harbo —
Rosen —
Tracy —
Mohr —
Winterrowd —
Tele. Room —
Holloman —
Gandy —

On page 13 of the proposed speech which is to be made before the Jenner Committee by the Director, the statement is made "On July 26, 1946, an official of the State Department advised that the State Department was anticipating dismissing a high official who was also a subject in this investigation." The information in the proposed speech is based upon Bureau memorandum of August 2, 1946, which reveals that on July 16, 1946, Robert Bannerman of the State Department advised the Bureau that the State Department was anticipating dismissal of Robert Talbott Miller, III, a subject in the Silvermaster case. An addendum to this memorandum indicates that on August 3, 1946, Mr. Ladd contacted Mr. Lyon of the State Department and pointed out the importance of keeping the Bureau out of any action taken by the State Department. (65-56402-1437)

A letter from the Washington Field Office dated April 1, 1947, in the Silvermaster case, reflects Robert Talbott Miller, III resigned from the State Department effective December 13, 1946.

RECOMMENDATION

The foregoing is for your information in connection with this matter.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6-22-83 BY SP5/rjt/taf

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RJL:awn

RECORDED

EXP. PROC.

cc - Mr. Nichols

D. L. Ladd

November 18,
1953

A. H. Belmont

HARRY DEXTER WHITE
ESPIONAGE - R

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ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/22/83 BY SP5/SP5/SP5

The attached draft of a statement by the Attorney General prepared for his appearance before the Senate Internal Security Subcommittee on November 17, 1953, has been read.

I note nothing in this which raises an issue insofar as the FBI is concerned with the exception, of course, that the Attorney General proposes to make public two Bureau letters to General Vaughan, namely, letter of November 8, 1945, and letter of February 1, 1946.

It is noted that the November 8, 1946, letter is marked Top Secret and for public consumption it may be advisable to stamp it declassified before publishing it. The letter of February 1, 1946, on the last page bears the dictator's and the stenographer's initials. These should be eliminated. The letter of February 1, 1946, carries the name of Dr. Abraham Weinstein and I understand that it was suggested to the Department that this name be eliminated. Of course, the publishing of the names in these two Bureau letters over the Director's signature will raise considerable furor; however, if the Department has decided to publish these two letters there would appear to be no point in picking and choosing certain names to be eliminated from the letters.

A Photostat of the Department's proposed statement has been made and is attached.

Tolson

Ladd

Nichols

Belmont

Clegg

Glavin

Harbo

Rosen

Tracy

Gears

Mohr

Winterrowd

Room

Holloman

Gandy

101-1053
Attachment

11/18/53

11/18/53

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XXXXXXFEDERAL BUREAU OF INVESTIGATION
FOIPA DELETED PAGE INFORMATION SHEET

_____ Page(s) withheld entirely at this location in the file. One or more of the following statements, where indicated, explain this deletion.

- ☐ Deleted under exemption(s) _____ with no segregable material available for release to you.
- ☐ Information pertained only to a third party with no reference to you or the subject of your request.
- ☐ Information pertained only to a third party. Your name is listed in the title only.
- ☐ Documents originated with another Government agency(ies). These documents were referred to that agency(ies) for review and direct response to you.

31

Pages contain information furnished by another Government agency(ies). You will be advised by the FBI as to the releasability of this information following our consultation with the other agency(ies).

_____ Page(s) withheld for the following reason(s):

☐ For your information: _____

☒ The following number is to be used for reference regarding these pages:

65-56402-NR 11/16/53

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Office Memorandum

UNITED STATES GOVERNMENT

DATE: November 14, 1953

FROM : D. M. Ladd

SUBJECT: HARRY DEXTER WHITE
ESPIONAGE - R (10)

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DATE 6/28/88 BY 2549 [signature]
6/12/88 3049 [signature]

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 considered the Hammer Dance

Tracy
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 Miss Gandy

Pursuant to your request as to the dates when the Federal Grand Jury in New York considered the Harry Dexter White case and the period of time involved, Bureau files reflect the following information:

The Federal Grand Jury which heard testimony in connection with the Gregory case convened in the Southern District of New York on June 16, 1947. The case was presented to the Grand Jury by T. Vincent Quinn, Assistant Attorney General in Charge of the Criminal Division and T. J. Donegan, Special Assistant to the Attorney General. The Grand Jury, when in session, heard testimony from Tuesday through Thursday of each week from 11:00 A.M. to 1:00 P.M.

On the latter date, the Grand Jury adjourned and re-convened on September 3, 1947. [REDACTED]

On December 3, 1947, the Grand Jury recessed and reconvened on January 20, 1948.

On his own motion, the Grand Jury agreed to reconvene on April 13, 1948.

however, upon reconvening on that date no action was taken. The Grand Jury met again on May 4, 1948, and adjourned subject to recall. They were informed that there would be no matters for their consideration for at least two months from that date. The Grand Jury reconvened on June 22, 1948, and on July 20, 1948 returned indictments in the Smith Act cases. On the same date, the Grand Jury was recessed but was not dismissed. The Grand Jury reconvened on or about August 12, 1948, and continued in session until December 15, 1948, when it returned an indictment against Alger Hiss for perjury.

101-4053
FLJ:cms

on December 15, 1948, the term of the Grand Jury expired.

[REDACTED] b3
[REDACTED] Rule
[REDACTED] 6e
(Memorandum from Mr. Ladd to the Director
dated 2-15-49; 65-56402; Gregory summary
dated 8-24-48, pgs. 386 through 398)

There is nothing in our files to indicate that the
Grand Jury inquired into the case of Harry Dexter White as a
separate case. The Grand Jury looked into the activities of White
in connection with its over-all inquiry into the Gregory case.

It is to be noted that no indictment or presentment
for espionage was returned against any subjects in the Gregory case
by this Grand Jury; however, this Grand Jury did return an indictment
against Alger Hiss for perjury which was based upon [REDACTED] b3
[REDACTED] Rule
[REDACTED] 6e

No action
could be brought against White by the Grand Jury since White died
in August, 1948.

9 10 78

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. D. M. LADD

DATE: November 16, 1953

FROM : MR. A. H. BELMONT

~~CONFIDENTIAL~~SUBJECT: HARRY DEXTER WHITE
ESPIONAGE - R
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Ladd
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Holloman
Sims
Miss G.

The question has been raised as to who White's alternate was when White was appointed to the International Monetary Fund by President Truman in January, 1946.

Supervisor Orrin Bartlett contacted Assistant Secretary of the Treasury, Andrew K. Overby at 5:50 PM on November 16, 1953. Mr. Overby said White's alternate was George Luthringer. Overby described Luthringer as an individual who had taught at Princeton and later served the State Department as an economist. Who's Who in America, 1952-1953, reflects George Francis Luthringer was born February 17, 1904, in Petersburg, Illinois. It reflects he was an instructor and assistant professor of economics and finance at Princeton from 1930 to 1938. He was then financial advisor to the Joint Preparedness Committee on Philippine Affairs for the State Department in Washington, D.C. From 1937 to 1938, he was Divisional Assistant, Economic Advisory Office of the State Department, from 1938 to 1941. He was Assistant Chief of the Division of Financial Affairs, State Department, from 1941 to 1943. He served as financial expert, Office of High Commissioner to the Philippines, from February, 1943, to May, 1944. He was Chief of the Division of Financial Affairs of the State Department from May, 1944, to May, 1946. From May to July, 1946, he attended the Britton Woods and Savannah Monetary Conferences as technical advisor for the United States. He was a member of the U.S. Delegation of the Allied Commission on Reparations to Moscow in 1945. He was appointed U. S. Alternate Director of the U.S. Monetary Fund in July, 1946. He was Deputy Director of the Research Department in 1948, and Deputy Director of the Far East and Middle East and Latin American Department in 1950. He was a representative at the London Preparatory meeting of the International Conference on Trade and Employment in October and November, 1946. His residence address is given as 4401 Cathedral Avenue, N.W., Washington 16, and his office

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ON 12-29-86
12/13/99 2046 JET/LS

R.JL:awn

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ESP. SEC.

~~CONFIDENTIAL~~

as the International Monetary Fund, 1616 H Street, N. W.,
Washington, D. C.

RECOMMENDATION

There are a number of references in our files
to Luthringer. These are being checked and a memorandum
will be submitted setting forth the results of the review
of our files.

ADDENDUM: 11-17-53. RJL:blb

h2 b7D
A connection between Luthringer and White does
appear in the Silvermaster Case. (technical sur-
veillance on White) reflects on September 23, 1946,
Luthringer contacted White and discussed administra-
tive matters dealing with the International Bank. (S) (u)
The two men were also in contact, according to the
same source, on October 9, 1946, at which time they
discussed official business. White was planning to
leave Washington on that date. (S) (u)

On March 15, 1947, White spoke to Luthringer
and they again discussed matters dealing with the Inter-
national Bank. (S) (u) 65-56402-1908 page 156, 159; 2477 page 225)

The other references are being reviewed.

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November 16,
1953

HARRY DEXTER WHITE
ESPIONAGE - R

ACTION:

For your information.

PURCHASE

cc - 1 - Mr. Nichols

NOT RECORDED
191 NOV 27 1953

[illegible]

[Signature]

Office Memorandum • UNITED STATES GOVERNMENT

TO : The Director

~~CONFIDENTIAL~~

DATE: November 16, 1953

FROM : D. M. Ladd

SUBJECT: HARRY DEXTER WHITE
ESPIONAGE - R

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Declassify on: OADR

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

In response to your inquiry, "After February 1, 1946, and up to April 1, 1947, just what did we get concerning White and when?" the following is noted from a review of Bureau files: (S)(U)

During this period, the use of physical and technical surveillances indicated White was in contact with other persons who were mentioned by Elizabeth Bentley as having been involved in a Soviet espionage network in Washington, D. C. From a review of Bureau files, it has not been possible to locate independent information that White was involved in espionage activities during this period. (S)(U)

In connection with those contacts which corroborate Elizabeth Bentley's information, the following are noted: (S)(U)

Virginus Frank Coe
4-29-46, 12-25-46
(65-56402-1187, p. 190; 2288, p. 270)

Abraham George Silverman
7-11-46, 9-1-46, 11-4-46,
11-10-46, 11-12-46, 12-22-46
(65-56402-2243, p. 101; 1655, p. 195;
1910, pp. 157, 159, 161; 2288, p. 269) (S)(U)

Charles Kramer
11-25-46
(65-56402-2088, p. 111)

Harry Magdoff
11-2-46, 11-10-46,
11-13-46, 11-14-46,
(65-56402-1910, pp. 159, 160;
1938, p. 88)

cc - Mr. Nichols
101-4053

JPL:rmc

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Declassify on: OADR

~~CONFIDENTIAL~~

Tolson
Ladd
Nichols
Belmont
Clegg
Glavin
Harbo
Rosen
Tracy
Mohr
Winterrowd
Tele. Room
Holloman
 Sizoo
Miss Gandy

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DECLASSIFIED BY SP5/ryg/ky
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William Ludwig Ullman
4-29-46
(65-56402-1187, p. 190)

(S)(M)

During this period, White was also in contact with the following persons who were not mentioned by Elizabeth Bentley as having been involved in a Soviet espionage ring: (S)(M)

Edwin S. Smith
of the National Council
of American Soviet Friendship,
4-23-46
(65-56402-1187, p. 189)

Lee Pressman
4-11-46, 11-2-46,
1-1-47
(65-56402-1009, p. 186; 1910, p. 157;
2288, p. 273)

(S)(U)

In September, 1946, White and Lee Pressman and the latter's wife met the Russian labor delegation at the Wardman Park Hotel, Washington, D. C. You will recall that Pressman has since admitted CP membership. (101-4053-21) No further information was located relative to White's meeting with the Russian labor delegation, as mentioned herein.

David Karr
who, at that time, was
an employee of Drew Pearson,
radio broadcaster,
12-5-46
(65-56402-2088, p. 115)

From the above, it is noted that the investigation of White during this period developed, for the most part, information corroborating contacts with persons named by Elizabeth Bentley.

~~CONFIDENTIAL~~

STATEMENT OF THE ATTORNEY GENERAL,
THE HONORABLE HERBERT BROWNELL, JR.
BEFORE THE INTERNAL SECURITY SUBCOMMITTEE
OF THE SENATE COMMITTEE ON THE JUDICIARY

TUESDAY, NOVEMBER 17, 1953

12/12/8 3042 RUTS
U INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/22/83 BY [signature]

Beginning in April 1953, this Subcommittee has been holding a series of hearings for the purpose of exposing the plans of Communist agents to infiltrate the Government of the United States. The work of this Subcommittee has documented with great care the result of the very successful Communist espionage penetration in our Government during World War II and thereafter. Later on I will have certain recommendations for legislation which I would like to submit for the consideration of the Subcommittee. I feel confident that as a result of the work of this Subcommittee, much constructive legislation will result.

The Executive Department of the Government which is headed by the President, and of which the Department of Justice is part, has been concerned since we took office with cleaning out the Government. One of the most important and vital problems is to remove all persons of doubtful loyalty and, most important, to prevent any further Communist infiltration into the Government of the United States.

NOT RECORDED

On November 6 in Chicago, I made a speech which was one of a number of speeches and magazine articles in which I publicly discussed the problem of Communist infiltration in Government and the steps taken by the Eisenhower Administration to meet that problem. In that speech I referred to the case of Harry Dexter White and the manner in which it was treated by the prior Administration to illustrate how successful espionage

agents had been in penetrating our Government at that time and how lax our Government was at that time in meeting such a grave problem. This afternoon I want to discuss the case of Harry Dexter White and the manner in which it was handled by the Truman Administration on the basis of established facts and the records in the Department of Justice.

Before I do that, however, I want to make certain preliminary remarks. An inference has been drawn in some quarters from my speech which I think is unwarranted. By lifting certain sentences out of context it has been said that I implied the possibility that the former President of the United States was disloyal. I intended no such inference to be drawn. In order to point out that I intended no such inference to be drawn, I specifically said that I believed that the disregard of the evidence in the White case was "because of the unwillingness of the non-Communists in responsible positions to face the facts and a persistent delusion that Communism in the Government of the United States was only a red herring." In another part of the speech I also stated: "The manner in which the established facts concerning White's disloyalty were disregarded is typical of the blindness which inflicted the former Administration on this matter."

When I assumed the office of Attorney General, I promised to expose evidence of Communist infiltration in our Government and to expose corruption, with evenhanded justice. I intend to continue to do so. Some people won't like it, but I shall not be deterred from carrying out my duty by personal abuse.

When this Subcommittee completes its investigation, I believe that you will conclude, as I did, that there was an unwillingness on the part of Mr. Truman and others around him to face the facts

and a persistent delusion that Communist espionage in high places in our Government was a red herring. And I believe you will conclude that this attitude, this delusion, may have resulted in great harm to our nation.

The White case seemed to me to be of such vital importance that I believed the public was entitled to know what safeguards were taken - once our Government was alerted to the two spy rings operating within our own Government - to protect the national security.

Of course, if the basic facts of these two spy rings had not been well established by previous court procedures and by Congressional Committees, I would not have proceeded as I did. I fully realize the grave responsibility which I have as chief law enforcement officer of this nation not to use confidential reports in my possession to disclose charges against individuals except through established court procedures. Those of us in the Department of Justice will never violate that basic concept of our American jurisprudence.

But the White case, of course, is not that situation. The basic facts of the two spy rings which existed in the Government at that time have been fully exposed in court and before Congressional Committees. This Subcommittee recently published a very excellent report documenting those facts. The only disclosure which I made from our records, and I believe it is the type of thing that the public is entitled to know about, is that the Truman Administration was put on notice at least as early as December 1945, that there were two spy rings operating within our Government. And, as I see it, now that this fact has been established, I believe the public is entitled to know what safeguards the Truman Administration established to protect the national security.

In considering the facts in this case it is well to keep in mind that the matter to be decided in January and February of 1946 did not relate to criminal proceedings. It was not a question whether White could at that time have been formally charged before a Grand Jury with espionage. The matter to be determined by Mr. Truman and his associates was whether Harry Dexter White should be advanced to a post of high honor, great trust and responsibility and of vital importance to the security of the country. If there was solid evidence at that time establishing that White was engaged in espionage activity, certainly no one would contend that sound and proper administration required his advancement or even continuance in Government service simply because a criminal conviction had not yet been obtained.

White entered upon his duties and assumed the office of Executive Director for the United States in the International Monetary Fund on May 1, 1946. What was known at the White House of his espionage activities prior to that date?

On December 4, 1945, the FBI transmitted to Brigadier General Harry H. Vaughan, Military Aide to the President, a report on the general subject of "Soviet Espionage in the United States." I referred to this in my speech as the first report. This was a secret and highly important report of some 71 pages. It covered the entire subject of Soviet espionage in this country both before, during, and after World War II. It named many names and described numerous Soviet espionage organizations. Harry Dexter White and the espionage ring of which he was a part were among those referred to in this report. The index list refers to his activities in three different places. This report, as might be expected from its general character, summarizes White's

espionage activities in abbreviated form, but no reasonable person can deny that that summary, brief though it may be, constituted adequate warning to anyone who read it of the extreme danger to the security of the country in appointing White to the International Monetary Fund or continuing him in Government in any capacity.

As the Subcommittee knows, copies of this report were sent to a number of Cabinet officers and high officials in the Truman Administration including the Attorney General. It would be difficult to understand how under any circumstances a document upon so delicate and dangerous a subject would not have been brought to Mr. Truman's attention by at least one of his associates.

But in addition to that fact, I have here a letter from J. Edgar Hoover to General Vaughan dated November 8, 1945.

As you know, General Vaughan has testified before this Subcommittee that by arrangement with Mr. Truman, when the FBI had information which it deemed important for the President to know about, it sent such information to him. Vaughan testified that he knew that any such report which came to him was delivered to the President.

The letter I hold in my hand is marked "Top Secret." I have declassified it and will make it public because it does not reveal any security information which would now be damaging. Because it was classified "Top Secret," it would have received very special handling that all such documents must receive. If this letter did not come to Mr. Truman's attention, then it would be a most serious dereliction of duty on the part of those who handled it.

It is a document of historical importance and I therefore, with your permission, will quote it in full:

(TEXT TO COME)

It would be difficult to believe under any circumstances that so important a document upon so delicate and dangerous a subject would not have been brought to Mr. Truman's attention by at least one of his associates.

It is a blunt fact from which there is no escape that, in the teeth of the November 8 warning from the FBI, the developing evidence indicated a substantial spy ring operating within the Government and involving Harry Dexter White and the documented report delivered to the White House on December 4, some six weeks later President Truman, on January 23, 1946, publicly announced his nomination of Harry Dexter White for appointment to the International Monetary Fund. I just do not understand this. It still seems completely incredible to me.

But the matter does not end here. Because of this development the FBI compiled a special report devoted exclusively to Harry Dexter White and his espionage activities and delivered it, together with a covering letter, by special messenger on February 4, 1946, to General Vaughan for the attention of the President, to the Attorney General, Tom Clark, and to Secretary of State James Byrnes. This is the

second report mentioned in my speech.

Secretary of State James F. Byrnes, who received a duplicate report and covering letter on the same day, wrote the President on February 5, 1946, as follows:

"The enclosed letter addressed to Mr. Frederick Lyon of this Department by Mr. J. Edgar Hoover, and the enclosures referring to Harry Dexter White, I deem of such importance that I think you should read them."

I will now read into the record the FBI letter, now officially declassified, transmitting the White report:

Text to come

This second FBI report cannot, as I stated in my Chicago speech, be made public without jeopardizing confidential sources of information and techniques of intelligence operations. That is a firm policy of this Administration. We will never impair the most important work of the FBI by making public FBI reports.

However, the essential facts may be disclosed to this Subcommittee.

At the outset the purpose of the report is stated in the following language:

"The purpose of this memorandum is to relate all of the information available at this time concerning Harry Dexter White, his activities and contacts in order that an over-all picture may be available for review, action or future reference. This information has been received from

numerous confidential sources whose reliability has been established either by inquiry or long-established observation and evaluation. In no instance is any transaction or events related where the reliability of the source of information is questionable. It is with these factors in mind that the following material is set forth."

The report then proceeded to point out that information had come to the attention of the FBI from a confidential source that Harry Dexter White was engaged in espionage activities at least as early as the latter part of 1942 or early in 1943. It was reported that White was supplying information consisting of documents obtained by him in the course of his duties as Assistant Secretary of the United States Treasury Department to Nathan Gregory Silvermaster and to William Ludwig Ullmann who resided at 5515 Thirtieth Street, N.W., Washington, D.C.

The material consisted of reports of a varied nature concerning the financial activities of the United States Government, particularly if they related to foreign commitments. Also various memoranda and reports from other Governmental departments and agencies were made available through these channels. It was reported that these documents had usually been reduced to photographs by the time they were observed but on occasions the original documents themselves were seen.

During the investigation of these charges, it was learned that a complete photographic laboratory did in fact exist in the basement of the Silvermaster home sufficiently well equipped for the copying of documents. This included an enlarger, developing equipment and all the necessary chemicals and other incidentals.

These documents, consisting of notes taken therefrom or verbatim copies, were usually photographed and delivered through channels to Jacob M. Golos, a known Soviet agent. (Jacob M. Golos whose real name is Jacob Raisin pleaded guilty to an indictment along with World Tourists, Inc., charging failure to register as agents of the Soviet Government in March, 1940. He received a fine of \$500 and a jail sentence of four months to one year which was later changed to probation.) The material collected in this particular parallel of Soviet espionage was all channeled through Golos eventually to the Soviet diplomatic establishment in this country. The report pointed out that it could be presumed after arrival at this destination that material of primary interest to the Soviets was forwarded to Moscow, USSR, via diplomatic code and material concerning which there was no urgency reached that destination through the Soviet Diplomatic Pouch.

Subsequent to the death of Golos, the material gathered by the Silvermasters and Ullmann originating with White, according to the information received by the FBI, went through an unknown individual to Anatole Borosovich Gromov, former First Secretary of the Soviet Embassy, Washington, D.C. Suspicions had previously surrounded the activities of Gromov to the effect that he was the successor to Vassili Zubilin, reported head of the NKVD, one of the primary branches of Soviet Intelligence in North America. Zubilin returned to Moscow, USSR, in the late summer of 1944, and Gromov departed from the United States for Moscow, USSR, on December 7, 1945. From all appearances, the position previously held by Gromov to whom this material was transmitted

prior to his departure, was next held by Fedor Alexeevich Garanin, an official of the Soviet Embassy, Washington, D. C.

According to the information received by the FBI, White was considered one of the most valuable assets in this particular parallel of Soviet intelligence. This view was taken since in his capacity as Assistant Secretary of the United States Treasury, those individuals whom this group were anxious to have assigned there could be placed in the Treasury Department. Among the persons in this category were William Ludwig Ullmann, William Henry Taylor and Sonia Steinman Gold.

Sometime in the summer or fall of 1943, the Silvermasters believed it desirable to have someone placed as a secretary to White in order to facilitate the obtaining of information from his office for delivery to Soviet espionage agents. As a result of these deliberations, Mrs. Helen Witte Silvermaster went to one of the Communist functionaries in Washington, D. C., and from this source secured the name of Sonia Steinman Gold. Eventually, Mrs. Gold, through arrangements with White, obtained a position (as one of the secretaries) in the United States Treasury Department. As a result of this employment, Mrs. Gold obtained documents from White's office, which she copied and made her notes available to Mrs. Helen Witte Silvermaster. The information which Mrs. Gold obtained in a general way concerned principally the Treasury Department's opinions and recommendations concerning applications for loans made by the Chinese and French Governments.

It was also reported that there was in existence another parallel of Soviet Intelligence operating within the United States Government and headed by Victor Perlo. The information gathered from the Perlo group was channeled through Jacob M. Golos and on to the Soviet diplomatic establishment in the same manner as outlined for the operation of the Silvermaster group.

Because of the relationships existing between Golos and the Perlo group, Harold Glasser appeared in the picture. Glasser was rather closely associated with White and was able to supply general information concerning the activities of the United States Treasury Department, particularly where they concerned proposed loans to foreign countries. He also supplied information originating in the Foreign Economic Administration which had been sent to the United States Treasury Department for action or information.

The report states that the Bureau had secured the names of a number of persons described as members of the underground Communist group in Washington, D. C., from another source. Among those names was that of Abraham George Silverman whom the report describes as formerly employed by the Railroad Retirement Board and the United States Army Air Forces and as privately employed by the French Supply Council of the French Government. As incidental to the mention of Silverman the report states that the information received was to the effect that Silverman worked through close friends who were indebted to him, including Harry Dexter White and others. The report points out that this information concerning the relationship between Silverman and White is consistent with the information referred to earlier from the other source.

The section then relates to White's known contacts with Russian officials over the years and, therefore, cannot be declassified. It should be said here that these contacts were not inconsistent with the regular performance of White's duties and considered by themselves are not incriminating.

In July, 1945, a clerical employee of the Passport Division of the Department of State, who formerly was employed as a clerk by the Soviet Government Purchasing Commission, was allegedly stealing certain information from the official records of the Department of State for transmittal to unknown persons. This individual apparently admitted that he had collected this information in the course of his employment and knew a man who would pay him \$1,000 for it. In his application for employment with the Department of State this individual who stole this information had listed Harry Dexter White as a reference and White had recommended him highly. The report added that this circumstance was being set forth in view of the allegations to the effect that White was considered of extreme value because of his influence in securing positions for persons who could be of assistance to Soviet espionage.

The report mentions that White was interviewed by the FBI in connection with the Amerasia case, particularly concerning Irving S. Friedman, who, according to the report, was known to be one of the sources in the Treasury Department Section on Far Eastern Affairs that had been furnishing documents to Philip Jacob Jaffe, editor of Amerasia. White told the FBI that Friedman was an employee in the Treasury Department handling matters dealing with monetary affairs in the Far East, and admitted that he had brought Friedman to the Treasury Department five or six years earlier.

The report contains much corroborative evidence which cannot be made public either because it would disclose investigative techniques of the FBI or because it might be harmful to the national interest. It can be pointed out, however, that over a period of three months beginning in November of 1945 the activities of Harry Dexter White were entirely consistent with all the previous information contained in the report. White was in frequent close personal contact with nearly every one of the persons named as his associates in the spy ring. These include Nathan Gregory Silvermaster and his wife, William Ullman, Sonia Gold, Harold Glasser, Abraham Silverman and others.

The report referred to a trip made by White to visit Dr. Abraham Wolfson of Newark, New Jersey. Wolfson had been reported by numerous sources as having had frequent and close contacts with numerous Communists in the State of New Jersey. The report pointed out that Dr. Wolfson in 1944 was a member of the Third Ward Branch of the Communist Party and that he had been active in Communist Party activities for the preceding seven years under the name of A. Wilson Street. It was also pointed out in the report that Wolfson held Communist Party meetings in his office.

The report stated that in December of 1945 White was seen at 3210 P Street, N.W., in Washington, which at that time was the home of Alger Hiss and pointed out that from other sources Hiss was reported working for another parallel of Soviet espionage.

In December of 1945 White and his wife visited the home of Maurice Halperin who was employed by the Office of Strategic Services. The report pointed out that Halperin was a member of the Communist Party and beginning in 1942 he passed on information to an espionage courier.

The report refers to the close personal relationship in 1945 between White and Frank Coe who was also one of the individuals supplying information to the Silvermasters and thence through channels to the Soviet Government.

The report points out in considerable detail the contacts between White and Lee Pressman. The report points out that Lee Pressman was a member of an underground group headed by Harold Ware, which had its headquarters in Washington. The report points out many of Pressman's activities as a Communist.

The report points out that Silvermaster's position in the Treasury Department was secured for him by White. The report points out that the Bureau's informant had identified Silvermaster as the head spy in the espionage ring with which White was working and that Silvermaster has a long record of reported association with known Communists. The report also points out that other sources of information had established that Silvermaster was acquainted with many other individuals who were strongly suspected of Soviet espionage. The report also points out that Mrs. Silvermaster has a long history of association with Communist Front groups. It is stated in the report that in addition to the many contacts between White and Ullman which were disclosed, White wrote a letter in November 1940 on the stationery of Director of Monetary Research of the United States Treasury Department requesting the deferment of Ullman. After Ullman left the Army and entered the Treasury Department he worked in the Division headed by White.

The report pointed out that Harold Glasser was in another branch of Soviet espionage headed by Victor Perlo. Glasser was an assistant to White in the Treasury Department. It was reported that

Glasser was described by numerous sources as a member of the Communist Party. In addition to this information, the report points out a great many other connections and contacts among the members of the espionage ring, all of which supported and were consistent with the earlier portions of the report.

It is interesting to note how accurate this information was that the FBI supplied at that time. Following is a list of White's close associates referred to in the FBI reports who were members of the espionage ring who have claimed their privilege not to answer questions on the grounds that it would incriminate them:

Silvermaster

Perlo

Glasser

Coe

Ullmann

Silverman

Halperin

Both Golds

Kaplan

Also there is Lee Pressman who admitted membership in the Communist Party and Alger Hiss who has since been convicted.

Of course, no one could, with any validity, suggest today that there is doubt that White was in this espionage ring. Some of White's original espionage reports, written by him in his own handwriting for delivery to agents of the Red Army Intelligence, were recovered in the fall of 1948 and are now in the possession of the Department of Justice. I have photostatic copies of them here and I offer the copies as part of the record of my testimony. The information contained in these reports was, as the Subcommittee knows, of great importance at the time White wrote them, although with the lapse of time the necessity for secrecy on these subjects has disappeared.

But the record which was available to the Truman Administration in December 1945 and thereafter should have been sufficient to convince anyone that White was a hazard to our Government.

The question which had to be decided at that time was not whether White could have been convicted of treason. There was ample evidence that he was not loyal to the interests of our country. That was enough. Government employment is a privilege, not a right, and we don't have to wait until a man is convicted of treason before we can remove him from a position of trust and confidence.

When I was first invited to appear before this Subcommittee, I thought from what I had read in the newspapers that there was some issue of fact involved on the question of whether Mr. Truman knew about Harry Dexter White's espionage activities at the time he appointed him as Executive Director for the United States of the International Monetary Fund. I read in

the newspaper that after being advised of my speech in Chicago Mr. Truman stated to the press that he had never read any of the derogatory reports concerning Harry Dexter White to which I referred. I read later that Mr. Truman said that he fired White as soon as he discovered he was disloyal. On the basis of these statements I thought that the accuracy of what I had said in Chicago was being challenged.

However, it now seems in the light of Mr. Truman's television speech of last night that it is conceded that on February 6, 1946, the day on which White's appointment was confirmed by the Senate, Mr. Truman did read the most important of the reports to which I referred, and that he thereafter, even though he had a legal right to ask that the nomination be withdrawn, signed White's commission and permitted him to take office on the first of May with full knowledge of the facts reported by the FBI.

It is, of course, extraordinary to learn from Mr. Truman, in view of his earlier statements, that he signed Mr. White's commission with the thought that it might help to catch him. I would think that the commissioning of a suspected spy to an office of such great importance would not be easily forgotten. It seems to me even more extraordinary to learn that Mr. Truman was aware as early as 1946 that a Communist spy ring was operating within his own administration when for so many years since that time he has been telling the American people exactly the opposite. Indeed, it seems to me that this explanation of White's appointment -- that is, that he was appointed and allowed to remain in office for more than a year in order to help the FBI trap him as a spy -- raises more questions than it answers.

While under suspicion and surveillance White was, we are told, appointed as the first United States Executive Director of the Fund. He was also its chief architect. The opportunities afforded him in that capacity for betraying the country were very great.

There were matters of great importance to the United States which were handled by the Executive Directors while White was a member. A first order of business was to plan the general organization of the Staff. It was agreed to divide the Staff into five primary departments and offices. Each of these departments and offices has a director. One of these five primary departments was called the Office of the Secretary. Now who received the position of Head of the Office of Secretary? It was Frank Coe, named in the FBI report as a member of the espionage ring, and at a salary of \$20,000 a year.

Recently this Subcommittee had occasion to inquire of Mr. Coe whether he was presently engaged in subversive activities. Mr. Coe replied "Mr. Chairman, under the protection afforded me by the Fifth Amendment, I respectfully decline to answer that question." Coe continued in the employ of the Fund until as recently as December 3, 1952, when he was finally dismissed.

Who received the position of adviser to the United States member of the Board? It was Harold Glasser, also named as a member of the espionage ring.

Glasser was subpoenaed by the Senate Subcommittee on April 14, 1953, and when asked about his relationships with members of the Communist

underground, he invoked his privilege against self-incrimination. He also refused under privilege to tell the Subcommittee the circumstances surrounding his Government assignments within the United States or abroad.

It has now been said that White's promotion to the post of Director of the International Monetary Fund was permitted to go through so that he might better be kept under surveillance, and so the investigation of the other members of the ring might continue unimpaired. It is suggested that permitting White to continue his espionage operations might enable the Truman Administration to entrap not only White, but the whole Soviet espionage ring working within our Government.

To accomplish such an end would require infinite and detailed care if the national interest was to be at all protected.

In the first place, arrangements would have to be made to insure absolute control of the subjects and the situation. Some time limit would have to be established.

If the national interest were to be protected, measures would have had to be designed to prevent classified material with a significant bearing on national security from reaching White and the others. Top responsible officials of the United States Government, whose duties brought them in contact with White and the other members of the ring, would have had to be forewarned. Great care would have to be taken to make certain that these spies did not affect the decisions of our Government.

The records fail to indicate that any of these minimum precautions were taken. The records fail to show that anything was done which interfered with the continued functioning of the espionage ring of which White was a part.

And if we apply simple and reasonable tests to how other members of the espionage ring named in the FBI report were treated, there is considerable doubt that anything was done to protect the national interest. Let me offer you a few examples.

Harold Glasser, a close subordinate and associate of White, was described in the FBI report as an active member of the espionage ring. What controls were established over the movement of Harold Glasser? In July 1946 Glasser attended an UNRRA conference in Geneva, Switzerland, as a member of the United States delegation. In January 1947 Glasser went to Trieste as a United States member of a four-power commission to study the economic aspects of the Trieste problem. At the special request of the State Department in March and April of 1947 Glasser attended the Moscow meeting of the Council of Foreign Ministers as an adviser to the United States Secretary of State.

How was Glasser's access to classified materials limited? As far as we have been able to determine, it was not. Records in the

Department indicate that late in 1946 Glasser, described as a member of the espionage ring, received a copy of the FBI report on Victor Perlo which described him as a member of the Soviet espionage ring. Perlo stayed on in the Treasury Department until March 27, 1947, and then left to accept the post of Treasurer of the Intergovernmental Committee on Refugees.

Nathan Gregory Silvermaster in March 1946 was promoted to become the Chief Economist of the War Assets Administration's Division of Economic and Market Research. After the report was made, William Ullmann and Irving Kaplan stayed on with the Department of the Treasury without any restrictions being placed on them or their activities as far as we can determine.

This Subcommittee, I am sure, will want to examine with great care the claim that there was a plan to keep White and others in the espionage ring in Government employment in the hope of catching them. You will also want to investigate, I believe, what care was used to protect the national security. These are grave questions to which the public is entitled to complete answers.

As members of this Subcommittee know, this Administration is trying an entirely different approach to security problems.

Despite difficulties stemming from past laxity, 1,456 employees have actually been separated from Federal Government payrolls since January 1953 on the grounds that they are security risks. Many cases are still under examination.

Our work to date has clearly shown the need for at least two new laws to help the Government in the prosecution of espionage cases. I hope that these proposed laws will be considered by Congress at its session starting in January. The first would allow the Government to use wire-tap evidence to prove its espionage cases. At the present time information received by tapping wires cannot be used as evidence in the federal courts. There are cases of espionage presently in the Department of Justice, but since some of the important evidence was obtained by wiretapping, the cases cannot be proved in court and therefore there will be no prosecution so long as the law remains in its present state. The second proposed law would allow proper authorities in Government to grant immunity to witnesses who are suspected of espionage or Communist activities, but who refuse to testify under the Fifth Amendment on the ground that their testimony might incriminate them. As I stated before, a number of persons who worked with

Harry Dexter White in his important Government assignments, have refused to testify on this ground. If the Government, under proper safeguards, is authorized to grant immunity to such persons, we believe we can obtain testimony which will assist in tracking down the higher-ups engaged in conspiracy to overthrow our Government by force and violence.

The White case illustrates that it is not enough for men in high Government positions to be loyal. They must also be vigilant to combat the dangers to our Government and to our free institutions.

I thank the Subcommittee for this opportunity to set forth these facts in the case of Harry Dexter White.

From Post-Hall Syndicate, Inc.
342 Madison Avenue, New York 17, New York
FOR RELEASE ON RECEIPT

INSIDE LABOR

By Victor Riesel

Many of those who have refused under oath to deny that they were in Soviet espionage networks have for many years had friends in court--the Supreme Court, in fact.

This does not at all mean that there are, or have been, subversives on the high bench. It does mean that even our greatest judicial minds were incapable of coping with the subtleties and camouflage of the Soviet rings.

There are several justices who are in a position to help us put together the clues to the network which exploited them. To be specific, there is Justice Tom Clark. He could tell us about the little known, 18-inch-thick file which was hidden under the code name of "Gregory" in the Justice Dept. when Mr. Clark was U.S. Attorney General.

The Justice knows, of course, that the "Gregory" File had all the data necessary to indict Alger Hiss as a spy. The statute of limitations had not yet run out on the debonair comrade from Baltimore. Hiss could then still have been indicted and tried for betraying his country.

Yet the then Attorney General resisted the urging of his criminal division. Clark did not move for Hiss' indictment. Years later, Alger Hiss was tried for perjury. As Attorney General, Mr. Clark took his orders from the White House. He had every bit of evidence he needed. Why did he not move to try Hiss as a spy? What higher forces restrained this cabinet member? Who sabotaged this prosecution? Was it Clark himself? Or a higher-up?

There is another Supreme Court Justice who may be embarrassed to learn that he was used by a friend of Alger Hiss. This is Justice Robert Jackson. He may recall, now that I make mention of the incident, that when he was Attorney General of the U.S., he was asked by the late Sidney Hillman to recommend ~~NOT A RECORD FOR~~ the CIO's Amalgamated Clothing Workers Union.

Mr. Tolson
Mr. Ladd
Mr. Nichols
Mr. Belmont
Mr. Clegg
Mr. Glavin
Mr. Harbo
Mr. Rosen
Mr. Tracy
Mr. Mohr
Mr. Tamm
Mr. H. H. H.
Miss Gandy

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DATE 10/12/14 BY SP-5 JAW/ky

20 NOV 25 1953

11/12/53

To what more unimpeachable source can you go than to the head of the Justice Dept? Well, Mr. Jackson recommended a very sophisticated gentleman by name of John Abt. Good, hearty character reference, too. So Mr. Abt was hired. Later it developed that John Abt was married to Jessica Smith, widow of Harold Ware. Comrade Ware, a confidant in his day of the highest Soviet leaders from Stalin down, or up as you'd have it, was the suave fellow who planted the first important Communist-espionage cell inside our government. From that commie acorn, big espionage networks grew.

Mr. Abt's sister, Marion Bachrach, handled publicity for the Communist Party. May still be doing so. I wouldn't know. They aren't exactly among my best informants. And now, you may ask, what about Mr. Abt himself? Well, let me report to you what he was asked by a Congressional probing committee:

"Mr. Abt, in connection with your home, 444 Central Park West, did a meeting take place there some time during the war at which were present Victor Perlo, Elizabeth Bentley and several other individuals, the purpose of which was to make arrangements for people working in government to transmit confidential information to Elizabeth Bentley, who was then the head of an espionage ring in Washington."

John Abt, who rose high in labor circles because of his original endorsement by an Attorney General of the U.S., refused to answer this question on the ground that it was his right under the Fifth Amendment to not incriminate himself.

In other words, he refused to deny that his home had been used as an espionage center. To put some big, bold black emphasizing lines under this last question, here is what can be found in several Congressional records:

"The head of the most important group of Soviet espionage agents with which Bentley has maintained liaison was Victor Perlo, of the War Production Board.

"Members of this group were introduced to Bentley early in 1944 at the apartment of John Abt..."

--MORE--

11/12/53

Now, why don't Supreme Court Justices Clark and Jackson tell us just who betrayed them? Who forced Clark to ignore the "Gregory File"? Who first introduced Abt to Jackson?

Let's take all this out of politics. Let's start tracking down the Kremlin crowd. And their sponsors in government.

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Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. D. M. LADD

DATE: November 17, 1953

FROM : MR. A. H. BELMONT

SUBJECT: HARRY DEXTER WHITE
ESPIONAGE - R
Bufile 101-4053ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/22/83 BY SP5/rjg/ty
12/13/88 3042 JAT/PS

Tolson ✓
Ladd ✓
Nichols ✓
Belmont ✓
Clegg ✓
Glavin ✓
Harbo ✓
Rosen ✓
Tracy ✓
Gandy ✓
Winters ✓
Tele. Room ✓
Holloman ✓
Sizoo ✓
Miss Gandy ✓

Reference is made to the memorandum from Mr. Nichols to Mr. Tolson dated November 13, 1953, regarding the conversation between Mr. Nichols and Mr. Olney concerning charts.

Mr. Donegan informed Mr. Belmont on the evening of November 16, 1953, that he had brought down to the Department a chart which was prepared during the appearance of Carroll's subjects in the Silvermaster case. We have also received a copy of this same chart from the New York Office by memorandum dated November 13, 1953, and a photograph of the chart is being attached hereto.

A review of our files also reflects that by memorandum dated December 13, 1945, from Mr. Ladd to the Director, a chart was brought to the Director's attention which had been prepared by the New York Office showing the channels of transmission of espionage information by individuals named up to that date by Elizabeth Bentley. A Photostat of the memorandum of November 13, 1945, and the chart are being attached hereto.

In view of the fact that Mr. Donegan has furnished to the Department a chart, it would appear that no further action is necessary by the Bureau in connection with this matter.

In the conversation between Mr. Olney and Mr. Nichols, Mr. Olney also raised the question as to whether the 39 page summary dated July 25, 1946, entitled "Soviet Activities in the United States," was the summary which had been prepared for the Attorney General in order that it might be transmitted to Clark Clifford for the possible use of the President at the Monetary Conference in Paris. Mr. Nichols advised

RJL:am
Attachments

NOV 11 5 12 PM '53

NOV 24 1953

Mr. Olney that the answer to the foregoing should be in the files of the Department and "left this up in the air." Mr. Nichols recommended that we check on this matter. The summary referred to by Mr. Olney dated July 25, 1946, is the summary which we prepared pursuant to a request from the Attorney General, and we did direct a memorandum to the Attorney General under date of July 25, 1946, transmitting the summary entitled "Soviet Activities in the United States." (100-345686-1)

RECOMMENDATION

The foregoing is for your information. We are preparing a Photostat of the July 25, 1946, summary for transmittal to Mr. Olney pursuant to his written request of November 12, 1953.

WAB:2
Ry

Memorandum for Mr. Belmont, 11/17/53

RECOMMENDATION:

That the above information be brought to the attention of Mr. Nichols.

refer

cc - Mr. Ladd
Mr. Nichols
Mr. Belmont
Mr. J. Sullivan
Room 7644

SAC, Washington Field (65-5428)

November 17, 1953

Director, FBI (101-4073)

HARRY DEXTER WHITE
ESPIONAGE - R

12/13/83 304-101/83
ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/20/83 BY SP5/STZ

For your assistance in the preparation of your report in this matter you are being furnished the following material pertaining to hearings before the Senate Permanent Subcommittee on Investigations, Committee of Government Operations, heard on October 19-21, 1953, at Washington, D.C.

- (1) Volume 114A, October 19, 1953, executive session testimony.
- (2) Volume 116A, October 21, 1953, executive session testimony.
- (3) Volume 139, October 20, 1953, public session testimony.
- (4) Volume 140, October 21, 1953, public session testimony.

Volumes 114A and 116A contain executive session testimony and cannot be disseminated outside the Bureau.

[REDACTED] outside purview of COM
Volumes 139 and 140 contain results of the public session testimony and pertinent portions thereof should be included in your report. The public session testimony pertains to transfer of allied military mark money plates to the Russians and transfer of Allied money plates to the Russians.

Attachment

RGJ:blb

NOTE:

The information furnished by Elizabeth Bentley in her testimony revealing White's involvement in connection with Allied military marks and currency plates was not previously furnished the Bureau. The necessary action has been taken in connection with this information. Bentley has been reinterviewed for details. Copies of the testimony as stated in letter have been made and forwarded to WFO for assistance.

62 NOV 24 1953

165-56402-
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191 NOV 19 1953

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. D. M. LADD

~~CONFIDENTIAL~~

DATE: November 12, 1953

FROM : MR. A. H. BELMONT

[JUNE 1953]

SUBJECT: NATHAN GREGORY SILVERMASTER, WAS.; ET AL
ESPIONAGE - RClassified by *SP-5/STH*
Declassify on: OADRTolson
Ladd
Nichols
Belmont
Clegg
Glavin
Harbo
Rosen
Tracy
Gearty
Mohr
Winterrowd
Tele. Rm.
Holloman
Sims
Miss Gandy

For your information, a technical surveillance was authorized by the Attorney General on November 20, 1945, on the residence of Harry Dexter White, 6810 Fairfax Road, Edgemoor, Bethesda, Maryland; telephone, Wisconsin 6896. (S)u

The records on technical surveillances maintained by the Domestic Intelligence Division and the actual logs of this surveillance in the Washington Field Division were checked and indicated that the surveillance was installed at 10:00 A.M., November 27, 1945, and assigned symbol number [REDACTED] (S)u b2 b7D

The first call was monitored at 7:34 P.M. on November 27, 1945. According to the logs, the last call received at the above address was on June 27, 1946, and it was indicated that White was moving to Apartment 114-B, Westchester Apartments, 4000 Cathedral Avenue, N.W., Washington, D. C., and the technical surveillance was transferred to the new location. (S)u

The next call was received on July 12, 1946, and the surveillance was continued until May 16, 1947, when it was terminated. (S)u

DECLASSIFIED BY *SP-7 mac/ste*
ON *3-3-86*3042 PWT/IMW 4/5/86
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731-7365-56402-4025
NOV 10 1953

JDD:DE

~~CONFIDENTIAL~~

RECEIVED

Office Memorandum • UNITED STATES GOVERNMENT

TO : The Director

FROM : D. M. Ladd

DATE: November 18, 1953

SUBJECT:

GREGORY CASE

Tolson ✓
Ladd ✓
Clegg ✓
Glavin ✓
Nichols ✓
Rosen ✓
Tracy ✓
Harbo ✓
Mohr ✓
Tele. Room ✓
Nease ✓
Gandy ✓

Tom Donegan called me from New York this afternoon and advised that he had learned that about a week ago one of the former members of the Grand Jury that heard the Gregory case had been contacted by an individual named David Chaffee, who claimed to be with the United States Attorney's Office in the Southern District of New York. Chaffee said that he wanted to talk to this Grand Juror.

Mr. Donegan states that Chaffee is not a regular employee of the United States Attorney's Office in the Southern District of New York but has apparently been recently employed there. He thought that the Bureau would be interested in view of the fact that it appears the United States Attorney's Office may be making some inquiry concerning the Grand Jury.

I asked Donegan to keep the Bureau advised of anything further he learned.

DML:WMJ

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DATE 6/23/83 BY SP-5 [signature]

12/13/88 3042 [signature]

RECORDED-97

165-56412-4026

NOV 23 1953

EX-125

58 NOV 27 1953

[signature]

XXXXXX
XXXXXX
XXXXXXFEDERAL BUREAU OF INVESTIGATION
FOIPA DELETED PAGE INFORMATION SHEET

1 Page(s) withheld entirely at this location in the file. One or more of the following statements, where indicated, explain this deletion.

☒ Deleted under exemption(s) b1 b7c b7D with no segregable material available for release to you.

☐ Information pertained only to a third party with no reference to you or the subject of your request.

☐ Information pertained only to a third party. Your name is listed in the title only.

☐ Documents originated with another Government agency(ies). These documents were referred to that agency(ies) for review and direct response to you.

Pages contain information furnished by another Government agency(ies). You will be advised by the FBI as to the releasability of this information following our consultation with the other agency(ies).

Page(s) withheld for the following reason(s):

☐ For your information: _____

☒ The following number is to be used for reference regarding these pages:

65-56402-NR 11/15/53

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X FOR THIS PAGE X
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Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Tolson *Vm*DATE: Nov. 19, 1953 *Vm*FROM : L. B. Nichols *Vm*

SUBJECT: HARRY DEXTER WHITE

*Gregory*12/13/82 2042 R/S
ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/22/83 BY SP5/ig/tyTolson
Ladd
Nichols
Belmont
Mohr
Winterrowd
Tele. Room
Holloman
Gandy

For record purposes, at 3:35 P.M. yesterday, Lee Garrett of the Associated Press called Wick in my office and asked whether we could supply him with the current ~~address~~ of Julius Joseph, who was named by Attorney General Brownell in the Committee hearings 11-17-53. As you know, Joseph was named by Bentley as one of her contacts starting in 1942, in the Office of Strategic Services during the war. He later went with UNRRA.

ACTION TAKEN:

Garrett was advised we could not be of assistance to him. He said he would check with Mr. Mullen in the Department.

Director's Notation

cc - Mr. Ladd
cc - Mr. Belmont

REW:ps

NOV 20 1953

NOV 20

NOV 23

97

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Tolson

DATE: Nov. 19, 1953

FROM : L. B. Nichols ✓

SUBJECT: HARRY S. BARGER
318 SHOREHAM BUILDING
WASHINGTON, D. C.

12/12/58 2042 PWT
ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 9/22/83 BY SP5 [signature]

Gregory

By reference from the Director's Office at 10:26 A.M. today, Wick in my office talked on the telephone with Harry S. Barger, 318 Shoreham Building, Washington, D. C. (telephone National 8-5756).

Mr. Barger said he realized the Bureau may have the following information, but he felt obliged to call it to the Director's attention since he felt it had a bearing on the Director's testimony in the Harry Dexter White Case on the Hill 11-17-53. He said the State Department issued an official publication number 3580 entitled "Post War Foreign Policy Formulation." Released in February, 1950, the publication purports to set out our post war foreign policy formulation and states it was conducted in secrecy. Barger said that in reference to the alphabetical list of names in the back he has determined that among those responsible for our foreign policy during the years February, 1942 through February, 1950, were the very men named by Attorney General Brownell in his disclosures 11-17-53 at the hearing, namely Hiss, Perl, Silvermaster, and others. Barger said although he had called the same information to the attention of Attorney General Brownell's secretary yesterday morning, he thought the latter might not come into possession of the information and, therefore, wanted to call it to the attention of the Director.

RECOMMENDATION:

That this memorandum be referred to the Domestic Intelligence Division for its information and consideration in the event the State Department document 3580 has not been previously called to our attention.

cc - Mr. Tolson
cc - Mr. Nichols

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NOT RECORDED

DEC 8 1953

63 DEC 10 1953

DEC 1 1953

ORIGINAL FILED IN 100-1-10

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Tolson

DATE: November 20, 1953

FROM : L. B. Nichols

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/22/83 BY SP5 [signature]

SUBJECT: 6-1-4

Scottie Reston of the New York Times called. He was wondering if he could talk to me or somebody about some problems that have come up in his mind. He has been going back through the documents and published material on Elizabeth Bentley and the characters concerning whom she made accusations. He stated numerous questions come up in his mind and he has a desire to be objective and knows of no other source but to come to the Bureau for the answers. He asked such questions as the following. He has checked the background on Golos who ran the World Tourist and it appears he was known to the FBI at least five years before Bentley testified regarding Harry Dexter White; that Bentley, concerning whom the Director lauded as to veracity, stated she went to the Silvermaster basement where she saw documents and received documents. He therefore wonders why Silvermaster has not been brought into the situation and why Silvermaster was left alone; that according to the Bentley testimony, there was enough to hang the guy exclusive of any wiretap evidence or any other evidence; that as a reporter he does not like to raise questions and be argumentative with the FBI as there is no percentage in that and he does not see any point in starting an argument in print and the only way he knows is to go to the source.

I told him with reference to the question he had just raised that that had to do with action and was not within the purview of the Bureau and this was not a proper question for us to discuss. He then stated he had several other questions. For example, in the Judith Coplon case, he is informed she was kept in the government so she could be watched and it was quite clear there was information concerning her; that how does this square with the Director's statement on the Harry Dexter White case, particularly since he has been informed she stayed in the government with our explicit approval; that furthermore, the Director testified in 1950 that in espionage cases the thing is to watch the spies, find out who they are, what they are and what their contacts are.

cc: Mr. Ladd
Mr. Belmont

LBN:MP

NOV 25 1953

I asked him if there was anything in that testimony that referred to spies in the government. He hemmed and hawed. I asked specifically what testimony he was talking about. He said it was the testimony before the appropriations committee and the appropriations for State, Commerce and Justice. I told him it appeared to me the questions he was raising were not within our purview and I did not see how we could help him. He then stated he needed guidance badly; that he would appreciate it if he could sit down with somebody and go over his questions; that the person to whom he talked would not be quoted and nothing would be attributed to the Bureau; that he knows nothing about this subject and does not want to do anything other than an honest, objective job.

I told him I was sorry, that we could not help him; that this was a matter for him to take up with the Department. He then stated suppose he goes to Mullen and Mullen says the same thing, where does that leave him. I told him, I, of course, could not speak for the Department. Reston then stated "okay, at least I've tried." I again told him I was sorry we could be of no assistance to him.

Director's Office
Propaganda
This letter has been
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MR. NICHOLS

Nov. 20, 1953

W. G. BAMES

HARRY DEXTER WHITE

Pursuant to your request, the enclosed statements of the Director and Attorney General Herbert Brownell, Jr. before the Subcommittee to Investigate the Administration of the Internal Security Act and Other Internal Security Laws, on November 17, 1953, are being fully indexed and placed in file.

GREGORY

Enclosures (2) ✓

WGB:mt

ALL INFORMATION CONTAINED
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NOV 20 1953

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Washington 25, D. C.

STATEMENT OF J. EDGAR HOOVER, DIRECTOR
FEDERAL BUREAU OF INVESTIGATION, BEFORE
THE SUBCOMMITTEE TO INVESTIGATE THE
ADMINISTRATION OF THE INTERNAL SECURITY
ACT AND OTHER INTERNAL SECURITY LAWS
2:30 p.m., November 17, 1953

HARRY DEXTER WHITE CASE

As the members of this committee know, the Federal Bureau of Investigation is a service agency. It does not make policy; it does not evaluate; it secures facts upon which determinations can be made by those officials of the U. S. Government who have the responsibility for taking whatever action is indicated. We do not inject ourselves into legislative matters. We do not express opinions or draw conclusions in our investigative reports. We have well-defined channels of official distribution through which we direct the results of our investigations.

Since we are not an agency for decision as to action, we are legally, morally and in good conscience obligated to relay all information and facts we secure to the responsible officials and agencies of government.

It is my duty to report to the Attorney General those matters in which he has a responsibility. It is likewise my duty, at the specific direction of the President, to report matters coming to our attention which are of pertinent interest to the President.

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I mention these basic principles governing our operations since they have come into the public interest in connection with recent events and disclosures.

There is more involved here than the charges against one man. This situation has a background of some thirty-five years of infiltration of an alien way of life into what we have been proud to call our Constitutional Republic. Our American way of life, which has flourished under our republic and has nurtured the blessings of a democracy, has been brought into conflict with the Godless forces of Communism. These Red Fascists distort, conceal, misrepresent and lie to gain their point. Deceit is their very essence. This can never be understood until we face the realization that to a Communist there are no morals except those which further the world revolution directed by Moscow.

The Harry Dexter White and related cases are in point. White was only one person on whom self-confessed Communist espionage agents informed -- there were others. In this case, the sources who gave the information were co-conspirators and either became inactive or their identities must for the time being remain undisclosed. Corroboration in each instance was most difficult to secure, because the actual facts were known only to a limited group whose personal interests dictated concealment and who conveniently had the Fifth Amendment as a refuge.

Coverage from an intelligence standpoint and an all-out open investigation looking toward eventual prosecution, are entirely different things. It must be remembered that the acts occurring in the pre-war years occurred while we were at peace. In the pertinent time period, our national climate was one conducive to the so-called "united front." Communist front organizations flourished to the point where it appeared that to belong, in certain circles, was to be stylish.

Even today, the feeling is rife in some quarters that the FBI should not even be investigating the loyalty of Government employees. Over the years, the FBI has been the target of attack from persons both in and out of Government because of its investigations of subversive activities. Even Harry Dexter White, when we interviewed him in March, 1942, spent more time in denouncing investigations of Government employees growing out of charges made in Congress reflecting on the loyalty of Federal employees, than he did in furnishing facts. He observed that if the chairman of one Congressional Committee "was one-tenth as patriotic as I am, it would be a much better country."

The care, caution and delicate approach necessary in such FBI investigations made it difficult to develop full facts, particularly when those in possession of them declined to make full disclosures.

The responsibilities for internal security assigned the FBI in 1939 by Presidential Directive were directed toward the times of emergency rather than periods of peace. That is the situation today. It is still legal for Communists to exercise the right of assembly, free speech and free thought.

On November 7, 1945, Miss Elizabeth Bentley advised Special Agents of the FBI in considerable detail of her own career as an espionage agent. On November 8, 1945, a letter bearing that date was delivered to Brigadier General Harry H. Vaughan, wherein it was stated:

"The Bureau's information at this time indicates that the following persons were participants in this operation or were utilized by principals in this ring for the purpose of obtaining data in which the Soviet is interested."

The name of Harry Dexter White was the second name mentioned in the list of names furnished. The concluding paragraph of this three-page letter stated:

"Investigation of this matter is being pushed vigorously, but I thought that the President and you would be interested in having the foregoing preliminary data immediately."

This communication was sent to General Vaughan in line with instructions conveyed to me by President Truman to call such matters in which he would have an interest to his attention through General Vaughan. I might add that the same practice so far as the FBI is concerned was followed during the administration of the late President Franklin D. Roosevelt. In fact, this same procedure was followed during the administration of former President Herbert Hoover.

In the meantime, our investigation of White and others mentioned by Miss Bentley and Whittaker Chambers, as well as those individuals on whom we had adverse information from equally reliable sources, continued.

A detailed summary memorandum was then prepared consisting of seventy-one pages, exclusive of the index, setting forth the highlights of Soviet espionage in the United States. This memorandum, dated November 27, 1945, was delivered to General Vaughan by a special messenger on December 4, 1945. Copies of this memorandum were furnished to the Attorney General and certain other interested heads of government agencies. This memorandum included information on Harry Dexter White.

When we learned that Harry Dexter White's name had been sent to the Senate for confirmation of his appointment as a U. S. delegate on the International Monetary Fund, we then consolidated the information in our files, secured from sources "whose reliability has been established either by inquiry or long-established observation and evaluation," in a 28-page summary dated February 1, 1946, which was delivered to General Vaughan on February 4, 1946. The two-page cover letter of transmittal opened with this sentence:

"As of interest to the President and you, I am attaching a detailed memorandum hereto concerning Harry Dexter White, Assistant Secretary of the United States Treasury Department."

The observation was made in this letter, "As will be observed, information has come to the attention of this Bureau charging White as being a valuable adjunct to an underground Soviet espionage organization operating in Washington, D. C."

From November 8, 1945, until July 24, 1946, seven communications went to the White House bearing on espionage activities, wherein Harry Dexter White's name was specifically mentioned.

During that same period, two summaries on Soviet espionage activities went to the Treasury Department and six summaries went to the Attorney General on the same subject matter.

The handling and reporting on the White case followed the Bureau's traditional practice of reporting all facts and information which had come to our attention, without evaluation or conclusions. I would like here to state that an FBI report is the presentation of information for evaluation by those who perform administrative duties and have executive responsibilities.

The FBI, of course, has a duty to evaluate its sources of information. In the 28-page summary concerning White, dated February 1, 1946, delivered to General Vaughan on February 4, 1946, the information contained therein came from a total of thirty sources, the reliability of which had previously been established.

In connection with the sources, I would like to mention one in particular, Miss Elizabeth Bentley. From the very outset, we established that she had been in a position to report the facts relative to Soviet espionage which she has done. We knew she was in contact with a top-ranking Soviet espionage agent, Anatoli Gromov, the First Secretary of the Soviet Embassy in Washington, as late as November 21, 1945, in New York City. At a previous meeting on October 17, 1945, he had given her \$2000.

All information furnished by Miss Bentley, which was susceptible to check, has proven to be correct. She has been subjected to the most searching of cross-examinations; her testimony has been evaluated by juries and reviewed by the courts and has been found to be accurate.

Miss Bentley's account of White's activities was later corroborated by Whittaker Chambers and the documents in White's own handwriting concerning which there can be no dispute, lend credibility to the information previously reported on White. Subsequent to White's death on August 16, 1948, events transpired which produced facts of an uncontradictable nature which clearly established the reliability of the information furnished in 1945 and 1946.

It must be remembered that in the period from November 8, 1945, to February 22, 1946, our first concern was to safeguard the government from infiltration by subversive elements, and in this approach, the objective of pointing attention to security risks must not be confused with prosecutive action. During this period the FBI was concerned with protecting the government's secrets and

preventing such infiltration. In fact, I took a strong stand because of premature disclosures that would result if prosecution were initiated, for the following reasons:

1. The evidence necessary to sustain convictions in indictments for law violation is entirely different from that necessary to establish the existence of security risks in sensitive posts in the government.
2. Some of the evidence, while of an irrefutable nature, was not admissible in a court of law.

Now to return to Harry Dexter White. In a conversation on February 21, 1946, the Attorney General informed me that he had spoken with the then Secretary of the Treasury, the late Chief Justice Fred Vinson, and the President, about White. The Attorney General stated he felt the President should personally tell White that it would be best for him not to serve. I told the Attorney General I felt it was unwise for White to serve. The Attorney General then stated he would like to confer with Judge Vinson and me on the following day, February 22, 1946.

I had luncheon on February 22, 1946, in the Attorney General's office with Judge Vinson and the Attorney General, at which time there was a lengthy conference. I was told that the problem was what could be done to prevent White from taking his oath of office. Judge Vinson did not want Mr. White to serve as a U. S. delegate on the International Monetary Fund and, in fact, did not want him to continue as Assistant Secretary of the Treasury.

On the other hand, Judge Vinson stated that the President could be forced to sign the commission since the Senate had confirmed White's appointment. I advised Judge Vinson and the Attorney General that the character of the evidence was such that it should not be publicly disclosed at that time in view of the confidential sources involved.

It was the opinion of Judge Vinson and the Attorney General that the Secretary of State, the Secretary of the Treasury and the Attorney General would arrange to see the President as soon as possible, outline to him exactly what the situation was and they would suggest to the President that there were three alternatives: one, the President could dismiss White and make no statement; two, the President could send for White and tell him he had changed his mind and that he desired White to resign and not serve; three, the President could sign the commission, instruct the Attorney General to continue the investigation vigorously and instruct the Secretary of the Treasury that he, as Governor of the National Advisory Council on International Monetary and Financial Problems and of the International Bank, should take steps to see that any persons selected for appointment should not be appointed except with approval of the Governor. It was realized, of course, that should the President follow the second alternative and White should refuse to resign, the President might then sign the commission and take the same action as considered in the third alternative.

I did not enter into any agreement to shift White from his position in the Treasury Department to the International Monetary Fund. This was not within my purview. I was at the meeting to furnish facts, which I did. There was no agreement while I was present between the Attorney General and Judge Vinson, other than that they should see the President with the Secretary of State and suggest the three alternatives mentioned above. I was not present in any discussions with the President concerning this matter.

I was advised on February 26, 1946, by the Attorney General that he had seen the President and that an effort would be made to remove Harry Dexter White, although the Attorney General expressed doubt that this would work out.

The Attorney General further stated to me on February 26, 1946, that we felt that White would go into the job and then would be surrounded with persons who were especially selected and were not security risks. He further stated that the President was interested in continuing the surveillance. I stated if that was the desire, we would continue the investigation.

At no time was the FBI a party to an agreement to promote Harry Dexter White and at no time did the FBI give its approval to such an agreement. Such an agreement on the part of the FBI would be inconceivable. If this principle were applied to White, it would, of necessity, have applied to others who had similarly been involved in this particular investigation, who were dismissed from government service when their subversive activities were discovered.

At no time did the FBI interpose objections to such dismissals. No restrictions were placed upon the agencies wherein action was taken. All that we asked was that sources of information be protected.

Had it been the intent of the FBI to handle the Harry Dexter White and other related cases solely as an intelligence operation, the widespread dissemination of information that was furnished to various branches of the government by the FBI would not have been undertaken.

Under date of February 26, 1946, I advised the Attorney General by telephone and subsequently by memorandum, of the receipt of information from a confidential source reflecting the possibility that Harry Dexter White might have received some notice of either the cancellation or impending cancellation of his appointment as a U. S. delegate to the International Monetary Fund. I did not know whether anything had been said to White or whether any action had been taken to cancel his appointment.

The decision to retain White was made by a higher government authority. Obviously, if a higher authority elected to shift a man rather than fire him, if he was suspect, then it would go without saying that we would continue our investigation as best we could.

If in fact there was any agreement to move White from the Treasury Department to the International Monetary Fund to aid in the FBI investigation and to surround him with persons who were not

security risks, then the agreement would have been broken very early because Mr. Virginius Frank Coe, a close associate of Harry Dexter White, became the Secretary of the International Monetary Fund in June, 1946, which position he held until December 3, 1952, when he was dismissed after invoking the Fifth Amendment in an appearance before this committee last December. It is particularly significant that he declined to answer questions regarding his relationship with White. Information on Coe had been furnished to the White House as early as February 25, 1946; to the Attorney General, February 23, 1946, and February 25, 1946, and to the Treasury Department as early as March 4, 1946.

From the foregoing, it is clear that the FBI called to the attention of the appropriate authorities the facts, as alleged by reliable sources, which were substantial in pointing to a security risk, as they occurred. It is equally clear that the FBI did not depart from its traditional position of making no evaluation, and was not a party to any agreement to keep White in public service.

STATEMENT OF THE ATTORNEY GENERAL,
THE HONORABLE HERBERT BROWNELL, JR.
BEFORE THE INTERNAL SECURITY SUBCOMMITTEE
OF THE SENATE COMMITTEE ON THE JUDICIARY
TUESDAY, NOVEMBER 17, 1953

Beginning in April 1953, this Subcommittee has been holding a series of hearings for the purpose of exposing the plans of Communist agents to infiltrate the Government of the United States. The work of this Subcommittee has documented with great care the result of the very successful Communist espionage penetration in our Government during World War II and thereafter. Later on I will have certain recommendations for legislation which I would like to submit for the consideration of the Subcommittee. I feel confident that as a result of the work of this Subcommittee, much constructive legislation will result.

The Executive Department of the Government which is headed by the President, and of which the Department of Justice is part, has been concerned since we took office with cleaning out the Government. One of the most important and vital problems is to remove all persons of doubtful loyalty and, most important, to prevent any further Communist infiltration into the Government of the United States.

On November 6 in Chicago, I made a speech which was one of a number of speeches and magazine articles in which I publicly discussed the problem of Communist infiltration in Government and the steps taken by the Eisenhower Administration to meet that problem. In that speech I referred to the case of Harry Dexter White and the manner in which it was treated by the prior Administration to illustrate how successful espionage

agents had been in penetrating our Government at that time and how lax our Government was at that time in meeting such a grave problem. This afternoon I want to discuss the case of Harry Dexter White and the manner in which it was handled by the Truman Administration on the basis of established facts and the records in the Department of Justice.

Before I do that, however, I want to make certain preliminary remarks. An inference has been drawn in some quarters from my speech which I think is unwarranted. By lifting certain sentences out of context it has been said that I implied the possibility that the former President of the United States was disloyal. I intended no such inference to be drawn. In order to point out that I intended no such inference to be drawn, I specifically said that I believed that the disregard of the evidence in the White case was "because of the unwillingness of the non-Communists in responsible positions to face the facts and a persistent delusion that Communism in the Government of the United States was only a red herring." In another part of the speech I also stated: "The manner in which the established facts concerning White's disloyalty were disregarded is typical of the blindness which inflicted the former Administration on this matter."

When I assumed the office of Attorney General, I promised to expose evidence of Communist infiltration in our Government and to expose corruption, with evenhanded justice. I intend to continue to do so. Some people won't like it, but I shall not be deterred from carrying out my duty by personal abuse.

When this Subcommittee completes its investigation, I believe that you will conclude, as I did, that there was an unwillingness on the part of Mr. Truman and others around him to face the facts

and a persistent delusion that Communist espionage in high places in our Government was a red herring. And I believe you will conclude that this attitude, this delusion, may have resulted in great harm to our nation.

The White case seemed to me to be of such vital importance that I believed the public was entitled to know what safeguards were taken - once our Government was alerted to the two spy rings operating within our own Government - to protect the national security.

Of course, if the basic facts of these two spy rings had not been well established by previous court procedures and by Congressional Committees, I would not have proceeded as I did. I fully realize the grave responsibility which I have as chief law enforcement officer of this nation not to use confidential reports in my possession to disclose charges against individuals except through established court procedures. Those of us in the Department of Justice will never violate that basic concept of our American jurisprudence.

But the White case, of course, is not that situation. The basic facts of the two spy rings which existed in the Government at that time have been fully exposed in court and before Congressional Committees. This Subcommittee recently published a very excellent report documenting those facts. The only disclosure which I made from our records, and I believe it is the type of thing that the public is entitled to know about, is that the Truman Administration was put on notice at least as early as December 1945, that there were two spy rings operating within our Government. And, as I see it, now that this fact has been established, I believe the public is entitled to know what safeguards the Truman Administration established to protect the national security.

In considering the facts in this case it is well to keep in mind that the matter to be decided in January and February of 1946 did not relate to criminal proceedings. It was not a question whether White could at that time have been formally charged before a Grand Jury with espionage. The matter to be determined by Mr. Truman and his associates was whether Harry Dexter White should be advanced to a post of high honor, great trust and responsibility and of vital importance to the security of the country. If there was solid evidence at that time establishing that White was engaged in espionage activity, certainly no one would contend that sound and proper administration required his advancement or even continuance in Government service simply because a criminal conviction had not yet been obtained.

White entered upon his duties and assumed the office of Executive Director for the United States in the International Monetary Fund on May 1, 1946. What was known at the White House of his espionage activities prior to that date?

On December 4, 1945, the FBI transmitted to Brigadier General Harry H. Vaughan, Military Aide to the President, a report on the general subject of "Soviet Espionage in the United States." I referred to this in my speech as the first report. This was a secret and highly important report of some 71 pages. It covered the entire subject of Soviet espionage in this country both before, during, and after World War II. It named many names and described numerous Soviet espionage organizations. Harry Dexter White and the espionage ring of which he was a part were among those referred to in this report. The index list refers to his activities in three different places. This report, as might be expected from its general character, summarizes White's

espionage activities in abbreviated form, but no reasonable person can deny that that summary, brief though it may be, constituted adequate warning to anyone who read it of the extreme danger to the security of the country in appointing White to the International Monetary Fund or continuing him in Government in any capacity.

As the Subcommittee knows, copies of this report were sent to a number of Cabinet officers and high officials in the Truman Administration including the Attorney General. It would be difficult to understand how under any circumstances a document upon so delicate and dangerous a subject would not have been brought to Mr. Truman's attention by at least one of his associates.

But in addition to that fact, I have here a letter from J. Edgar Hoover to General Vaughan dated November 8, 1945.

As you know, General Vaughan has testified before this Subcommittee that by arrangement with Mr. Truman, when the FBI had information which it deemed important for the President to know about, it sent such information to him. Vaughan testified that he knew that any such report which came to him was delivered to the President.

The letter I hold in my hand is marked "Top Secret." I have declassified it and will make it public because it does not reveal any security information which would now be damaging. Because it was classified "Top Secret," it would have received very special handling that all such documents must receive. If this letter did not come to Mr. Truman's attention, then it would be a most serious dereliction of duty on the part of those who handled it.

It is a document of historical importance and I therefore, with your permission, will quote it in full:

(TEXT TO COME)

It would be difficult to believe under any circumstances that so important a document upon so delicate and dangerous a subject would not have been brought to Mr. Truman's attention by at least one of his associates.

It is a blunt fact from which there is no escape that, in the teeth of the November 8 warning from the FBI, the developing evidence indicated a substantial spy ring operating within the Government and involving Harry Dexter White and the documented report delivered to the White House on December 4, some six weeks later President Truman, on January 23, 1946, publicly announced his nomination of Harry Dexter White for appointment to the International Monetary Fund. I just do not understand this. It still seems completely incredible to me.

But the matter does not end here. Because of this development the FBI compiled a special report devoted exclusively to Harry Dexter White and his espionage activities and delivered it, together with a covering letter, by special messenger on February 4, 1946, to General Vaughan for the attention of the President, to the Attorney General, Tom Clark, and to Secretary of State James Byrnes. This is the

second report mentioned in my speech.

Secretary of State James F. Byrnes, who received a duplicate report and covering letter on the same day, wrote the President on February 5, 1946, as follows:

"The enclosed letter addressed to Mr. Frederick Lyon of this Department by Mr. J. Edgar Hoover, and the enclosures referring to Harry Dexter White, I deem of such importance that I think you should read them."

I will now read into the record the FBI letter, now officially declassified, transmitting the White report:

Text to come

This second FBI report cannot, as I stated in my Chicago speech, be made public without jeopardizing confidential sources of information and techniques of intelligence operations. That is a firm policy of this Administration. We will never impair the most important work of the FBI by making public FBI reports.

However, the essential facts may be disclosed to this Subcommittee.

At the outset the purpose of the report is stated in the following language:

"The purpose of this memorandum is to relate all of the information available at this time concerning Harry Dexter White, his activities and contacts in order that an over-all picture may be available for review, action or future reference. This information has been received from

numerous confidential sources whose reliability has been established either by inquiry or long-established observation and evaluation. In no instance is any transaction or events related where the reliability of the source of information is questionable. It is with these factors in mind that the following material is set forth."

The report then proceeded to point out that information had come to the attention of the FBI from a confidential source that Harry Dexter White was engaged in espionage activities at least as early as the latter part of 1942 or early in 1943. It was reported that White was supplying information consisting of documents obtained by him in the course of his duties as Assistant Secretary of the United States Treasury Department to Nathan Gregory Silvermaster and to William Ludwig Ullmann who resided at 5515 Thirtieth Street, N.W., Washington, D.C.

The material consisted of reports of a varied nature concerning the financial activities of the United States Government, particularly if they related to foreign commitments. Also various memoranda and reports from other Governmental departments and agencies were made available through these channels. It was reported that these documents had usually been reduced to photographs by the time they were observed but on occasions the original documents themselves were seen.

During the investigation of these charges, it was learned that a complete photographic laboratory did in fact exist in the basement of the Silvermaster home sufficiently well equipped for the copying of documents. This included an enlarger, developing equipment and all the necessary chemicals and other incidentals.

These documents, consisting of notes taken therefrom or verbatim copies, were usually photographed and delivered through channels to Jacob M. Golos, a known Soviet agent. (Jacob M. Golos whose real name is Jacob Raisin pleaded guilty to an indictment along with World Tourists, Inc., charging failure to register as agents of the Soviet Government in March, 1940. He received a fine of \$500 and a jail sentence of four months to one year which was later changed to probation.) The material collected in this particular parallel of Soviet espionage was all channeled through Golos eventually to the Soviet diplomatic establishment in this country. The report pointed out that it could be presumed after arrival at this destination that material of primary interest to the Soviets was forwarded to Moscow, USSR, via diplomatic code and material concerning which there was no urgency reached that destination through the Soviet Diplomatic Pouch.

Subsequent to the death of Golos, the material gathered by the Silvermasters and Ullmann originating with White, according to the information received by the FBI, went through an unknown individual to Anatole Borosovich Gromov, former First Secretary of the Soviet Embassy, Washington, D.C. Suspicions had previously surrounded the activities of Gromov to the effect that he was the successor to Vassili Zubilin, reported head of the NKVD, one of the primary branches of Soviet Intelligence in North America. Zubilin returned to Moscow, USSR, in the late summer of 1944, and Gromov departed from the United States for Moscow, USSR, on December 7, 1945. From all appearances, the position previously held by Gromov to whom this material was transmitted

prior to his departure, was next held by Fedor Alexeevich Garanin, an official of the Soviet Embassy, Washington, D. C.

According to the information received by the FBI, White was considered one of the most valuable assets in this particular parallel of Soviet intelligence. This view was taken since in his capacity as Assistant Secretary of the United States Treasury, those individuals whom this group were anxious to have assigned there could be placed in the Treasury Department. Among the persons in this category were William Ludwig Ullmann, William Henry Taylor and Sonia Steinman Gold.

Sometime in the summer or fall of 1943, the Silvermasters believed it desirable to have someone placed as a secretary to White in order to facilitate the obtaining of information from his office for delivery to Soviet espionage agents. As a result of these deliberations, Mrs. Helen Witte Silvermaster went to one of the Communist functionaries in Washington, D. C., and from this source secured the name of Sonia Steinman Gold. Eventually, Mrs. Gold, through arrangements with White, obtained a position (as one of the secretaries) in the United States Treasury Department. As a result of this employment, Mrs. Gold obtained documents from White's office, which she copied and made her notes available to Mrs. Helen Witte Silvermaster. The information which Mrs. Gold obtained in a general way concerned principally the Treasury Department's opinions and recommendations concerning applications for loans made by the Chinese and French Governments.

It was also reported that there was in existence another parallel of Soviet Intelligence operating within the United States Government and headed by Victor Perlo. The information gathered from the Perlo group was channeled through Jacob M. Golos and on to the Soviet diplomatic establishment in the same manner as outlined for the operation of the Silvermaster group.

Because of the relationships existing between Golos and the Perlo group, Harold Glasser appeared in the picture. Glasser was rather closely associated with White and was able to supply general information concerning the activities of the United States Treasury Department, particularly where they concerned proposed loans to foreign countries. He also supplied information originating in the Foreign Economic Administration which had been sent to the United States Treasury Department for action or information.

The report states that the Bureau had secured the names of a number of persons described as members of the underground Communist group in Washington, D. C., from another source. Among those names was that of Abraham George Silverman whom the report describes as formerly employed by the Railroad Retirement Board and the United States Army Air Forces and as privately employed by the French Supply Council of the French Government. As incidental to the mention of Silverman the report states that the information received was to the effect that Silverman worked through close friends who were indebted to him, including Harry Dexter White and others. The report points out that this information concerning the relationship between Silverman and White is consistent with the information referred to earlier from the other source.

The section then relates to White's known contacts with Russian officials over the years and, therefore, cannot be declassified. It should be said here that these contacts were not inconsistent with the regular performance of White's duties and considered by themselves are not incriminating.

In July, 1945, a clerical employee of the Passport Division of the Department of State, who formerly was employed as a clerk by the Soviet Government Purchasing Commission, was allegedly stealing certain information from the official records of the Department of State for transmittal to unknown persons. This individual apparently admitted that he had collected this information in the course of his employment and knew a man who would pay him \$1,000 for it. In his application for employment with the Department of State this individual who stole this information had listed Harry Dexter White as a reference and White had recommended him highly. The report added that this circumstance was being set forth in view of the allegations to the effect that White was considered of extreme value because of his influence in securing positions for persons who could be of assistance to Soviet espionage.

The report mentions that White was interviewed by the FBI in connection with the Amerasia case, particularly concerning Irving S. Friedman, who, according to the report, was known to be one of the sources in the Treasury Department Section on Far Eastern Affairs that had been furnishing documents to Philip Jacob Jaffe, editor of Amerasia. White told the FBI that Friedman was an employee in the Treasury Department handling matters dealing with monetary affairs in the Far East, and admitted that he had brought Friedman to the Treasury Department five or six years earlier.

The report contains much corroborative evidence which cannot be made public either because it would disclose investigative techniques of the FBI or because it might be harmful to the national interest. It can be pointed out, however, that over a period of three months beginning in November of 1945 the activities of Harry Dexter White were entirely consistent with all the previous information contained in the report. White was in frequent close personal contact with nearly every one of the persons named as his associates in the spy ring. These include Nathan Gregory Silvermaster and his wife, William Ullman, Sonia Gold, Harold Glasser, Abraham Silverman and others.

The report referred to a trip made by White to visit Dr. Abraham Wolfson of Newark, New Jersey. Wolfson had been reported by numerous sources as having had frequent and close contacts with numerous Communists in the State of New Jersey. The report pointed out that Dr. Wolfson in 1944 was a member of the Third Ward Branch of the Communist Party and that he had been active in Communist Party activities for the preceding seven years under the name of A. Wilson Street. It was also pointed out in the report that Wolfson held Communist Party meetings in his office.

The report stated that in December of 1945 White was seen at 3210 P Street, N.W., in Washington, which at that time was the home of Alger Hiss and pointed out that from other sources Hiss was reported working for another parallel of Soviet espionage.

In December of 1945 White and his wife visited the home of Maurice Halperin who was employed by the Office of Strategic Services. The report pointed out that Halperin was a member of the Communist Party and beginning in 1942 he passed on information to an espionage courier.

The report refers to the close personal relationship in 1945 between White and Frank Coe who was also one of the individuals supplying information to the Silvermasters and thence through channels to the Soviet Government.

The report points out in considerable detail the contacts between White and Lee Pressman. The report points out that Lee Pressman was a member of an underground group headed by Harold Ware, which had its headquarters in Washington. The report points out many of Pressman's activities as a Communist.

The report points out that Silvermaster's position in the Treasury Department was secured for him by White. The report points out that the Bureau's informant had identified Silvermaster as the head spy in the espionage ring with which White was working and that Silvermaster has a long record of reported association with known Communists. The report also points out that other sources of information had established that Silvermaster was acquainted with many other individuals who were strongly suspected of Soviet espionage. The report also points out that Mrs. Silvermaster has a long history of association with Communist Front groups. It is stated in the report that in addition to the many contacts between White and Ullman which were disclosed, White wrote a letter in November 1940 on the stationery of Director of Monetary Research of the United States Treasury Department requesting the deferment of Ullman. After Ullman left the Army and entered the Treasury Department he worked in the Division headed by White.

The report pointed out that Harold Glasser was in another branch of Soviet espionage headed by Victor Perlo. Glasser was an assistant to White in the Treasury Department. It was reported that

Glasser was described by numerous sources as a member of the Communist Party. In addition to this information, the report points out a great many other connections and contacts among the members of the espionage ring, all of which supported and were consistent with the earlier portions of the report.

It is interesting to note how accurate this information was that the FBI supplied at that time. Following is a list of White's close associates referred to in the FBI reports who were members of the espionage ring who have claimed their privilege not to answer questions on the grounds that it would incriminate them:

Silvermaster

Perlo

Glasser

Coe

Ullmann

Silverman

Halperin

Both Golds

Kaplan

Also there is Lee Pressman who admitted membership in the Communist Party and Alger Hiss who has since been convicted.

Of course, no one could, with any validity, suggest today that there is doubt that White was in this espionage ring. Some of White's original espionage reports, written by him in his own handwriting for delivery to agents of the Red Army Intelligence, were recovered in the fall of 1948 and are now in the possession of the Department of Justice. I have photostatic copies of them here and I offer the copies as part of the record of my testimony. The information contained in these reports was, as the Subcommittee knows, of great importance at the time White wrote them, although with the lapse of time the necessity for secrecy on these subjects has disappeared.

But the record which was available to the Truman Administration in December 1945 and thereafter should have been sufficient to convince anyone that White was a hazard to our Government.

The question which had to be decided at that time was not whether White could have been convicted of treason. There was ample evidence that he was not loyal to the interests of our country. That was enough. Government employment is a privilege, not a right, and we don't have to wait until a man is convicted of treason before we can remove him from a position of trust and confidence.

When I was first invited to appear before this Subcommittee, I thought from what I had read in the newspapers that there was some issue of fact involved on the question of whether Mr. Truman knew about Harry Dexter White's espionage activities at the time he appointed him as Executive Director for the United States of the International Monetary Fund. I read in

the newspaper that after being advised of my speech in Chicago Mr. Truman stated to the press that he had never read any of the derogatory reports concerning Harry Dexter White to which I referred. I read later that Mr. Truman said that he fired White as soon as he discovered he was disloyal. On the basis of these statements I thought that the accuracy of what I had said in Chicago was being challenged.

However, it now seems in the light of Mr. Truman's television speech of last night that it is conceded that on February 6, 1946, the day on which White's appointment was confirmed by the Senate, Mr. Truman did read the most important of the reports to which I referred, and that he thereafter, even though he had a legal right to ask that the nomination be withdrawn, signed White's commission and permitted him to take office on the first of May with full knowledge of the facts reported by the FBI.

It is, of course, extraordinary to learn from Mr. Truman, in view of his earlier statements, that he signed Mr. White's commission with the thought that it might help to catch him. I would think that the commissioning of a suspected spy to an office of such great importance would not be easily forgotten. It seems to me even more extraordinary to learn that Mr. Truman was aware as early as 1946 that a Communist spy ring was operating within his own administration when for so many years since that time he has been telling the American people exactly the opposite. Indeed, it seems to me that this explanation of White's appointment -- that is, that he was appointed and allowed to remain in office for more than a year in order to help the FBI trap him as a spy -- raises more questions than it answers.

While under suspicion and surveillance White was, we are told, appointed as the first United States Executive Director of the Fund. He was also its chief architect. The opportunities afforded him in that capacity for betraying the country were very great.

There were matters of great importance to the United States which were handled by the Executive Directors while White was a member. A first order of business was to plan the general organization of the Staff. It was agreed to divide the Staff into five primary departments and offices. Each of these departments and offices has a director. One of these five primary departments was called the Office of the Secretary. Now who received the position of Head of the Office of Secretary? It was Frank Coe, named in the FBI report as a member of the espionage ring, and at a salary of \$20,000 a year.

Recently this Subcommittee had occasion to inquire of Mr. Coe whether he was presently engaged in subversive activities. Mr. Coe replied "Mr. Chairman, under the protection afforded me by the Fifth Amendment, I respectfully decline to answer that question." Coe continued in the employ of the Fund until as recently as December 3, 1952, when he was finally dismissed.

Who received the position of adviser to the United States member of the Board? It was Harold Glasser, also named as a member of the espionage ring.

Glasser was subpoenaed by the Senate Subcommittee on April 14, 1953, and when asked about his relationships with members of the Communist

underground, he invoked his privilege against self-incrimination. He also refused under privilege to tell the Subcommittee the circumstances surrounding his Government assignments within the United States or abroad.

It has now been said that White's promotion to the post of Director of the International Monetary Fund was permitted to go through so that he might better be kept under surveillance, and so the investigation of the other members of the ring might continue unimpaired. It is suggested that permitting White to continue his espionage operations might enable the Truman Administration to entrap not only White, but the whole Soviet espionage ring working within our Government.

To accomplish such an end would require infinite and detailed care if the national interest was to be at all protected.

In the first place, arrangements would have to be made to insure absolute control of the subjects and the situation. Some time limit would have to be established.

If the national interest were to be protected, measures would have had to be designed to prevent classified material with a significant bearing on national security from reaching White and the others. Top responsible officials of the United States Government, whose duties brought them in contact with White and the other members of the ring, would have had to be forewarned. Great care would have to be taken to make certain that these spies did not affect the decisions of our Government.

The records fail to indicate that any of these minimum precautions were taken. The records fail to show that anything was done which interfered with the continued functioning of the espionage ring of which White was a part.

And if we apply simple and reasonable tests to how other members of the espionage ring named in the FBI report were treated, there is considerable doubt that anything was done to protect the national interest. Let me offer you a few examples.

Harold Glasser, a close subordinate and associate of White, was described in the FBI report as an active member of the espionage ring. What controls were established over the movement of Harold Glasser? In July 1946 Glasser attended an UNRRA conference in Geneva, Switzerland, as a member of the United States delegation. In January 1947 Glasser went to Trieste as a United States member of a four-power commission to study the economic aspects of the Trieste problem. At the special request of the State Department in March and April of 1947 Glasser attended the Moscow meeting of the Council of Foreign Ministers as an adviser to the United States Secretary of State.

How was Glasser's access to classified materials limited? As far as we have been able to determine, it was not. Records in the

Department indicate that late in 1946 Glasser, described as a member of the espionage ring, received a copy of the FBI report on Victor Perlo which described him as a member of the Soviet espionage ring. Perlo stayed on in the Treasury Department until March 27, 1947, and then left to accept the post of Treasurer of the Intergovernmental Committee on Refugees.

Nathan Gregory Silvermaster in March 1946 was promoted to become the Chief Economist of the War Assets Administration's Division of Economic and Market Research. After the report was made, William Ullmann and Irving Kaplan stayed on with the Department of the Treasury without any restrictions being placed on them or their activities as far as we can determine.

This Subcommittee, I am sure, will want to examine with great care the claim that there was a plan to keep White and others in the espionage ring in Government employment in the hope of catching them. You will also want to investigate, I believe, what care was used to protect the national security. These are grave questions to which the public is entitled to complete answers.

As members of this Subcommittee know, this Administration is trying an entirely different approach to security problems.

Despite difficulties stemming from past laxity, 1,456 employees have actually been separated from Federal Government payrolls since January 1953 on the grounds that they are security risks. Many cases are still under examination.

Our work to date has clearly shown the need for at least two new laws to help the Government in the prosecution of espionage cases. I hope that these proposed laws will be considered by Congress at its session starting in January. The first would allow the Government to use wire-tap evidence to prove its espionage cases. At the present time information received by tapping wires cannot be used as evidence in the federal courts. There are cases of espionage presently in the Department of Justice, but since some of the important evidence was obtained by wiretapping, the cases cannot be proved in court and therefore there will be no prosecution so long as the law remains in its present state. The second proposed law would allow proper authorities in Government to grant immunity to witnesses who are suspected of espionage or Communist activities, but who refuse to testify under the Fifth Amendment on the ground that their testimony might incriminate them. As I stated before, a number of persons who worked with

Harry Dexter White in his important Government assignments, have refused to testify on this ground. If the Government, under proper safeguards, is authorized to grant immunity to such persons, we believe we can obtain testimony which will assist in tracking down the higher-ups engaged in conspiracy to overthrow our Government by force and violence.

The White case illustrates that it is not enough for men in high Government positions to be loyal. They must also be vigilant to combat the dangers to our Government and to our free institutions.

I thank the Subcommittee for this opportunity to set forth these facts in the case of Harry Dexter White.

COPY

November 8, 1945

DECLASSIFIED

H.B.

11/16/53

~~SECRET~~

~~TOP SECRET~~

BY SPECIAL MESSENGER

Brigadier General Harry Hawkins Vaughan
Military Aide to the President
The White House
Washington, D. C.

Dear General Vaughan:

As a result of the Bureau's investigative operations, information has been recently developed from a highly confidential source indicating that a number of persons employed by the Government of the United States have been furnishing data and information to persons outside the Federal Government, who are in turn transmitting this information to espionage agents of the Soviet Government. At the present time it is impossible to determine exactly how many of these people had actual knowledge of the disposition being made of the information they were transmitting. The investigation, however, at this point has indicated that the persons named hereinafter were actually the source from which information passing through the Soviet espionage system was being obtained, and I am continuing vigorous investigation for the purpose of establishing the degree and nature of the complicity of these people in this espionage ring.

The Bureau's information at this time indicates that the following persons were participants in this operation or were utilized by principals in this ring for the purpose of obtaining data in which the Soviet is interested:

Dr. Gregory Silvermaster, a long time employee of the Department of Agriculture.

Harry Dexter White, Assistant to the Secretary of the Treasury.

George Silverman, formerly employed by the Railroad Retirement Board, and now reportedly in the War Department.

Laughlin Currie, former Administrative Assistant to the late President Roosevelt.

COPY

~~SECRET~~

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Declassify on: OADR

Victor Perlow, formerly with the War Production Board and the Foreign Economic Administration.

Donald Wheeler, formerly with the Office of Strategic Services.

Major Duncan Lee, Office of Strategic Services.

Julius Joseph, Office of Strategic Services.

Helen Tenney, Office of Strategic Services.

Maurice Halperin, Office of Strategic Services.

Charles Kramer, formerly associated with Senator Kilgore.

Captain William Ludwig Ullman, United States Army Air Corps.

Lieutenant Colonel John H. Reynolds of the United States Army, a former contact of Gaik Ozakimian, former head of the Soviet Secret Intelligence (SKVD) in New York, is also apparently involved in the Soviet espionage activities stemming from Washington, D. C.

In addition to the foregoing group in the Government it appears at this time that Mary Price, formerly Secretary to Walter Lippmann, the newspaper columnist and presently publicity manager of the United Office and Professional Workers of America, CIO, is also associated with the foregoing group.

The Government documents were furnished to Gregory Silvermaster, who thereafter photographed them and turned over the undeveloped, but exposed film to a contact of the Soviets

COPY

COPY

-3-

in either Washington, D. C. or New York City. In the past, it is reported, the contact man made trips to Washington, D. C. once every two weeks and would pick up on such occasions an average of forty rolls of 35-millimeter film.

Investigation of this matter is being pushed vigorously, but I thought that the President and you would be interested in having the foregoing preliminary data immediately.

With expressions of my highest esteem and best regards.

Sincerely yours,

/S/ J. Edgar Hoover

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DECLASSIFIED

HB

11/16/53

DECLASSIFIED BY 304/WJ/PS
ON 1/24/89

February 1, 1946

~~PERSONAL AND CONFIDENTIAL~~
BY SPECIAL MESSENGER

Brigadier General Harry Hawkins Vaughan
Military Aide to the President
The White House
Washington, D. C.

PERSONALLY DELIVERED 2/4/46
R

Dear General Vaughan:

As of interest to the President and you, I am attaching a detailed memorandum hereto concerning Harry Dexter White, Assistant Secretary of the United States Treasury Department.

As you are aware, the name of Harry Dexter White has been sent to Congress by the President for confirmation of his appointment as one of the two United States delegates on the International Monetary Fund under the Bretton Woods agreement. In view of this fact, the interest expressed by the President and you in matters of this nature, and the seriousness of the charges against White in the attachment, I have made every effort in preparing this memorandum to cover all possible ramifications. As will be observed, information has come to the attention of this Bureau charging White as being a valuable adjunct to an underground Soviet espionage organization operating in Washington, D. C. Material which came into his possession as a result of his official capacity allegedly was made available through intermediaries to Nathan Gregory Silvermaster, his wife, Helen Witte Silvermaster, and William Ludwig Ullmann. Both Silvermaster and Ullmann are employees of the United States Treasury Department, reportedly directly under the supervision of White.

The information and documents originating in the Treasury Department were either passed on in substance or photographed by Ullman in a well-equipped laboratory in the basement of the Silvermaster home. Following this step, the material was taken to New York City by courier and made available to Jacob M. Golos, until the time of his death on November 27, 1943. Golos, a known Soviet agent, delivered this material to an individual tentatively identified as Gaik Ovakimian. Ovakimian you will recall was arrested some years ago as an unregistered agent of the Soviet Government and subsequently, by special arrangements with the Department of State, was permitted to return to the U.S.S.R.

After the departure of Gaik Ovakimian, Golos delivered his material to an individual who has been tentatively identified as Dr. Abraham Benedict Weinstein. Subsequent to the death of Golos, the courier handling material received from the Silvermasters and Ullmann delivered it through an unidentified

individual to Anotole Borisovich Gromov, who until December 7, 1945, was assigned as First Secretary of the Soviet Embassy, Washington, D. C., when he returned to the U.S.S.R. Gromov had previously been under suspicion as the successor to Vassili Zubilin, reported head of the NKVD in North America, who returned to Moscow in the late Summer of 1944. This whole network has been under intensive investigation since November, 1945, and it is the results of these efforts that I am now able to make available to you.

I also feel that it is incumbent upon me at this time to bring to your attention an additional factor which has originated with sources available to this Bureau in Canada. It is reported that the British and Canadian delegates on the International Monetary Fund may possibly nominate and support White for the post of President of the International Bank, or as Executive Director of the International Monetary Fund. The conclusion is expressed that assuming this backing is forthcoming and the United States acquiescence, if not concurrence, resulting, White's nomination to this highly important post would be assured. It is further commented by my Canadian source that if White is placed in either of these positions, he would have the power to influence to a great degree deliberations on all international financial arrangements.

This source, which is apparently aware of at least some of the charges incorporated in the attached memorandum against White, commented that the loyalty of White must be assured, particularly in view of the fact that the U.S.S.R. has not ratified the Bretton Woods agreement. Fear was expressed that facts might come to light in the future throwing some sinister accusations at White and thereby jeopardize the successful operation of these important international financial institutions.

I thought you would be particularly interested in the above comments, which originated with sources high-placed in the Canadian Government, on the subject at hand.

With expressions of my highest esteem,

Sincerely yours,

Attachment

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. D. M. LADD

DATE November 23, 1953

FROM : MR. A. H. BELMONT

SUBJECT: NATHAN GREGORY SILVERMASTER, ETAL
ESPIONAGE - R
(Bufile 65-56402)ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/22/83 BY SP5/STJ/STJ

With reference to the current publicity appearing in the press which indicates two Red spy rings still are operating in the Government, the Director inquired as to the facts.

This matter has as its basis, testimony by Elizabeth Bentley before the Senate Internal Security Subcommittee on May 29, 1952. At that time Bentley said she knew of two individual rings which worked under her and which had been exposed, and she had some indirect knowledge that Alger Hiss was operating in another network. She also said in the course of her talking to one of her Soviet contacts, she learned there was another group in existence, and that insofar as she knew, this group had not been exposed.

On the basis of the foregoing remarks by Bentley, we had her interviewed in an effort to develop further information. She was unable to furnish us any further details other than to state that in a conversation with Joseph Katz (in 1944 or 1945) she got the impression that there was another network functioning. She did not think this was the network in which Judith Coplan had been involved. She could furnish no information on the make-up of this group.

It would appear that Robert Morris, Counsel of the Senate Internal Security Subcommittee, is referring to the testimony of Elizabeth Bentley on May 29, 1952, when he indicates two of four spy rings have been exposed thus far.

ACTION

The foregoing is for your information in connection with the question which has been raised on this matter.

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N-A-N-A--11. NELLOR--REPORT.

FOR IMMEDIATE RELEASE

FBI WARNS RE 16-PAGE REPORT VANISHED
FROM WHITE HOUSE FILES; LIVES OF U.S.
COUNTERINTELLIGENCE AGENTS ENDANGERED
IF REVEALED; UNLAWFUL FOR UNAUTHORIZED
PERSONS TO HOLD IT WHILE STILL "SECRET"

BY EDWARD K. NELLOR
NORTH AMERICAN NEWSPAPER ALLIANCE

WASHINGTON, NOV. 9.--THE DISAPPEARANCE FROM WHITE HOUSE FILES OR
THE PUBLICATION OF FEDERAL BUREAU OF INVESTIGATION REPORTS ON SOVIET
ESPIONAGE AGENTS ENDANGERS THE LIFE OF U.S. COUNTERINTELLIGENCE AGENTS
AT HOME AND ABROAD.

THIS IS THE VIEW OF J. EDGAR HOOVER, EXPRESSED LONG BEFORE THE
CURRENT CONTROVERSY OVER THE CASE OF HARRY DEXTER WHITE, DECEASED
FORMER TREASURY DEPARTMENT AIDE UNDER THE TRUMAN ADMINISTRATION, WHO
WAS LABELED FRIDAY BY ATTORNEY GENERAL HERBERT BROWNELL AS A TOP
SOVIET SPY.

ONE OF THE FBI REPORTS SUBMITTED TO THE WHITE HOUSE INITIALLY
IN 1945 IS A 53-PAGE DOCUMENT CONTAINING THE NAMES OF DOZENS OF
AMERICANS AND FOREIGN NATIONALS, IN ADDITION TO KNOWN RUSSIAN MILI-
TARY AND NKVD AGENTS WHO EMPLOYED THEM.

IN ADDITION, A 16-PAGE FBI REPORT, SUBMITTED TO THE WHITE HOUSE,
DEALING SPECIFICALLY WITH HARRY DEXTER WHITE, WHICH HAS ALSO VANISHED,
CONTAINS THE NAMES OF AMERICANS PLANTED INSIDE THE COMMUNIST PARTY BY
THE FBI. THEIR USEFULNESS AND MAYBE THEIR LIVES WILL TERMINATE IF -
THE REPORT BECOMES PUBLIC OR FALLS INTO COMMUNIST HANDS, HOOVER AND
HIS AIDES HAVE REPEATEDLY STRESSED.

MR. TRUMAN, WHO IS IN A POLITICAL BATTLE OVER THE WHITE ISSUE WITH
ATTORNEY GENERAL BROWNELL, SAYS HE DID NOT RECEIVE THE REPORTS. HIS
FORMER MILITARY AIDE, MAJ. GEN. HARRY S. VAUGHAN, WHO RECEIVED THEM
IN THE WHITE HOUSE FROM THE FBI, ALSO DISCLAIMS ANY RECOLLECTION OF
THE TWO SECRET REPORTS. PORTIONS OF ONE REPORT HAVE, HOWEVER,
APPEARED IN THE PRESS.

BOTH REPORTS DEALT WITH VITAL SECURITY INFORMATION AND PROBABLY
WERE THE ONLY TWO OF THIS KIND IN EXISTENCE EVER DELIVERED TO THE
WHITE HOUSE. IF THEY WERE CARELESSLY HANDLED, IGNORED, OR BOTH, SOME
WHITE HOUSE STAFF AIDES ARE LIKELY TO BE EXPOSED AS IRRESPONSIBLE OR
WORSE, AS REGARDS NATIONAL SECURITY.

THE OPENING PARAGRAPH OF THE FBI REPORT REVEALS THE SCOPE
OF THE DOCUMENT AND ITS IMPORTANCE IN SUBSEQUENT SECURITY MATTERS.

(MORE)

58 DEC 1 1953

Mr. Tolson
Mr. Ladd
Mr. Nichols
Mr. Clegg
Mr. Glavin
Mr. Harbo
Mr. Rosen
Mr. Tracy
Mr. Mohr
Mr. Winterrowd
Tele. Room
Mr. Holloman
Miss Gandy

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INDEXED-29

65-56402-4029

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31 NOV 24 1953

EX-127

65-56402

"THIS MEMORANDUM HAS BEEN PREPARED FOR THE PRESIDENT IN CONCISE FORM THE PICTURE OF SOVIET ESPIONAGE ACTIVITY IN THE UNITED STATES. IT IS DIVIDED INTO THREE SECTIONS: FIRST, SOVIET ESPIONAGE ACTIVITY BETWEEN WORLD WAR I AND WORLD WAR II; SECOND, SOVIET ESPIONAGE ACTIVITY DURING WORLD WAR II; AND THIRD, SOVIET ESPIONAGE ACTIVITY AS IT EXISTS IN THE UNITED STATES TODAY."

THE FBI HAS JEALOUSLY GUARDED THE IDENTITY OF ITS AGENTS WITHIN THE COMMUNIST PARTY, AS WELL AS THE NAMES OF INFORMANTS WHO HAVE BROKEN WITH THE PARTY. THE SAME APPLIES TO FOREIGNERS IN THE U.S. WORKING FOR RUSSIAN ESPIONAGE NETWORKS, WHO ARE BEING WATCHED BY THE FBI.

WHEN KNOWN AND UNDER SURVEILLANCE, FOREIGN SPIES ARE USED AS PLANTS FOR PHONY INFORMATION AND, BY BEING FOLLOWED, AS "LEADERS" TO AMERICAN CITIZENS COOPERATING WITH THEM.

TO PUBLISH THE NAME OF AN AMERICAN INSIDE THE COMMUNIST PARTY WHO HAS BEEN COOPERATING WITH THE FBI IS EVEN MORE HARMFUL TO THE SECURITY FORCES HERE. IF THEIR NAMES FALL INTO COMMUNIST HANDS THE REDS CAN REVERSE THE FIELD AND PLANT PHONY INFORMATION ON THEM TO HARASS AND MISLEAD THE FBI. SOME, SUSPECTED BY THE COMMUNISTS, HAVE ALREADY BEEN DRUMMED OUT OF THE PARTY AS "SECURITY RISKS." OTHERS HAVE FLED IN FEAR OR HAVE BEEN FORCED TO LEAVE THE COUNTRY.

THEY WERE ASSIGNED TO A SEARCH OF THE RECORDS OF THE
CHILD OF THE U.S. THAT IN THE YEAR 1941 WAS IN THE U.S. AND
SEARCHED WITH HANDING OVER TO THE U.S. AND THE U.S. AND THE U.S.
THEY WERE ASSIGNED TO A SEARCH OF THE RECORDS OF THE
CHILD OF THE U.S. THAT IN THE YEAR 1941 WAS IN THE U.S. AND
SEARCHED WITH HANDING OVER TO THE U.S. AND THE U.S. AND THE U.S.

N-A-N-A--13. ADD TWO NELLOR--REPORT. X X X BEEN LAID BEFORE THE PUBLIC IN THE CURRENT CONTROVERSY. THE 16-PAGE FBI REPORT DEALING SOLELY WITH WHITE HAS SO FAR NOT BEEN MADE PUBLIC, ALTHOUGH IT HAS VANISHED FROM WHITE HOUSE FILES. POSSESSION OF IT BY UNAUTHORIZED PERSONS SO LONG AS IT RETAINS ITS SECRET CLASSIFICATION IS UNLAWFUL.

STEPHEN MITCHELL, CHAIRMAN OF THE DEMOCRATIC NATIONAL COMMITTEE, IN COMMENTING ON THE BROWNELL ACTION, URGED THAT THE ATTORNEY GENERAL TAKE THE MATTER BEFORE A GRAND JURY. THE SENATE INTERNAL SECURITY SUBCOMMITTEE, IN PROBING THE CASE OF HARRY DEXTER WHITE--REPORTEDLY BORN IN AN EASTERN EUROPEAN COUNTRY--IS CALLING VAUGHAN AND T. LAMAR CAUDLE, FORMER HEAD OF THE JUSTICE DEPARTMENT CRIMINAL DIVISION, AS WITNESSES ON TUESDAY. THE CASE MAY GO FROM THERE TO A GRAND JURY.

IN CLOSING HIS REPORT TO THE FORMER PRESIDENT, FBI DIRECTOR HOOVER STATED: "AS FAR AS THE SOVIETS ARE CONCERNED, THEY HAVE AT THE PRESENT TIME, IN ADDITION TO THOSE AGENTS ALREADY PLANTED IN KEY POSITIONS IN INDUSTRIES, AND GOVERNMENT, A CONSIDERABLE RESERVOIR OF MEMBERS OF THE COMMUNIST PARTY REGISTERED OR SECRET FROM WHICH TO DRAW.

HOOVER HAS CONSISTENTLY OBJECTED WHEN CONGRESSIONAL COMMITTEES OR THE COURTS HAVE ATTEMPTED TO OBTAIN FBI REPORTS THAT REVEAL SOURCES AND NAMES OF INDIVIDUALS. IN THE JUDITH COPLON CASE IT WAS FORCED TO DO SO, DESTROYING THE USEFULNESS OF A NUMBER OF SECRET FBI AGENTS AS WELL AS OTHERS EMPLOYED BY SECURITY AGENCIES OF THE U.S. OPERATING ABROAD.

END NELLOR--REPORT--NANA-53 MG846P

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DATE 6/22/83 BY SP5 [signature]

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101-786-251

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J. J.

Tolson ☒
Ladd ☒
Nichols ☒
Belmont ☒
Clegg ☐
Glavin ☐
Harbo ☐
Rosen ☐
Tracy ☐
Gearty ☐
Mohr ☐
Winterrowd ☐
Tele. Room ☐
Holloman ☐
Miss Gandy ☐

12/13/48 306 p.w./js
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DATE 6/22/83 BY SP5/STK/ky

Linked to Red Spy Ring

Sketches of Those Brownell Named

Attorney General Herbert Brownell Jr., in his testimony yesterday before the Senate Internal Security subcommittee in Washington, mentioned a number of persons as implicated in the activities of Soviet espionage rings within the Federal government. Brief sketches describing those persons follow:

Nathan Silvermaster

Accused in 1948 by Elizabeth T. Bentley, self-admitted Communist courier, of heading a Communist espionage ring at the time he was employed by the Farm Security Administration of the Department of Agriculture. Earlier he had been a war-time employee of the Board of Economic Warfare. Since 1943 he has been similarly charged in numerous Congressional inquiries. Lately, a

builder at Harvey Cedars, N. J.

Lauchlin Currie

Formerly an administrative assistant to the late President Roosevelt and for a brief period to President Truman. Accused by Miss Bentley of giving information to a Communist apparatus. He was specifically accused of being a White House tipster for the Russians. Has been accused by Sen. Joseph R. McCarthy, R., Wis., of blocking aid to Nationalist China. Was a supporter of Owen Lattimore, Far East expert now under indictment for perjury. Lately employed by the Colombian government as a financial expert.

Abraham G. Silverman

A naturalized citizen of Polish origin, formerly a member of the Railroad Retirement Board, later economic adviser and chief of analysis and plans

for the Materiel and Services Division of the Air Force. Miss Bentley and Whittaker Chambers, both confessed Communist spy couriers, have identified him as a Communist. Miss Bentley said he belonged to a Communist espionage ring in Washington in the 1930s, and that she collected "quite prolific information and Communist party dues" from him, including data passed on from Lauchlin Currie. Mr. Chambers said Silverman got him a government job in 1937. Silverman has refused on Constitutional grounds to answer allegations.

William L. Ullman

A former Treasury employee, later with the Air Force, accused of Communist party membership and espionage by Miss Bentley, who said he gave her information on the 1942 Doolittle raid on Tokyo "a week or

two ahead of time" which she transmitted to Russia. He also photographed data and documents supplied by fellow members of the spy ring headed by Nathan Gregory Silvermaster, she alleged. He now is with Silvermaster in a building firm at Harvey Cedars, N. J.

Julius J. Joseph

A former employee of the Office of Strategic Services, he was accused by Miss Bentley as a Soviet spy. He is an economist in New York, and once worked for the Presidential executive office during the Roosevelt administration. He also worked with the Social Security Board and the Office for Emergency Management. He told a Congressional committee that he was never a spy but refused to state whether he had ever been a Communist.

Mrs. Sonia Gold

A former Treasury employee, she was named in 1948 with her husband, William Gold, as a source of information for Miss Bentley, who identified William Gold as a Communist and said

Times-Herald

Wash. Post

Wash. News

Wash. Star

N.Y. Herald Tribune

N.Y. Mirror

DEC 14 1953

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Date: _____

he was an employee of the Foreign Economic Administration or the Board of Economic Warfare.

Irving Kaplan

Dismissed in May, 1952, as an economic affairs officer of the United Nations. Charged by Mr. Chambers as "certainly connected with the underground of the American Communist party" in 1937. Also accused by Miss Bentley. He joined the U. N. staff in February, 1948. At one time he was special assistant to Thurman Arnold, then head of the Justice Department's anti-trust division. In April, 1952, he refused to tell a New York Grand Jury whether he had been a member of a Russian spy ring.

Harold Glasser

Former head of the Treasury's division of monetary research, he was named in 1948 by Miss Bentley as a member of a Communist espionage group. He later became director of the division of overseas studies for the Council of Jewish Federation and Welfare Fund. He has refused to testify before Congressional investigators on pos-

sible Communist influence in a war-time currency decision concerning Russia. On occasions he has invoked the Fifth Amendment.

Maurice Halperin

A professor and chairman of Latin-American regional studies at Boston University, he was, during the war, a Latin American specialist in the Office of Strategic Services. Nathan Weyl, an avowed ex-Communist, testified with Miss Bentley, that Halperin had associations with the Communist party in the thirties. He has declined to answer questions about possible past connections with the Communist party, and Boston University censured him for this but did not dismiss him.

Lee Pressman

An admitted Communist, he told the House Un-American Activities Committee in 1950 that he joined the party in Washington about 1934. Mr. Chambers charged that Pressman and Alger Hiss belonged to the same Communist cell. Pressman was discharged from the Department of Agriculture

in 1935 and later was chief counsel for the C. I. O.

Alger Hiss

Former assistant to the Assistant Secretary of State, he is now serving a five-year Federal term for perjury. He was convicted in 1951 and is in the Federal Penitentiary at Lewisburg, Pa. He was convicted on two perjury counts, the jury having held that he lied when he said he had never turned over any secret documents to Mr. Chambers and when he said he had not seen Mr. Chambers since Jan. 1, 1937.

Duncan C. Lee

Former legal assistant to Maj. Gen. William J. Donovan, head of the Office of Strategic Services, and to others in the O. S. S. Miss Bentley charged he was one of her best leaks in the O. S. S. and that he gave her all types of "highly confidential" material. Lee has denied the allegation. In 1948, Gen. Donovan said he doubted that Lee would be disloyal to his country. In her testimony, Miss Bentley said Lee was transferred from the Institute of Pacific Relations to

the O. S. S. through Communist efforts. Lee is a New York lawyer.

Helen B. Tenney

A former analyst of the Office of Strategic Services, who, Miss Bentley charged, passed along to a Communist spy ring information on the Balkans. At a Congressional hearing in June, Miss Tenney declined replies to most questions, including past or present Communist membership.

Victor Perlo

A government economist, he was on the Federal pay roll from 1933 to 1947. In turn, he was employed by the National Recovery Administration, the Home Owners Loan Corporation, the Department of Commerce, the Council of National Defense Advisory Committee, the Office of Price Administration, the War Production Board and the Intergovernmental Committee on Refugees. Miss Bentley testified that Perlo belonged to a Soviet espionage ring, and a 1945 government intelligence memorandum described him as the head of the

Continued on next page

Sketches

Continued from preceding page

second most important Soviet espionage group with which Miss Bentley maintained liaison. He has invoked the Fifth Amendment at Congressional hearings. He is now a "economic consultant" in New York.

Donald Wheeler

A former employee of the Office of Strategic Services. Cited in 1948 by Rep. Edward H. Rees, R. Kan., chairman of the House Civil Service Committee, as one of several government employees kept on the job after witnesses testified in 1945 about their Communist sympathies. He was identified by Miss Bentley as a member of a Soviet espionage group headed by Victor Perlo.

Charles Kramer

Now a researcher for the Progressive party in New York. Identified by Miss Bentley and Mr. Chambers as a member of the first known Communist spy group in the government in

1933. The records of the Senate Internal Security subcommittee show he served, between 1933 and 1946, with the Agricultural Adjustment Administration, National Youth Administration, National Labor Relations Board and the Office of Price Administration. Invoked the Fifth Amendment in 1950 and 1952 when questioned as to membership in the Communist party. He also worked for three Senate subcommittees, the Democratic party and for John L. Lewis, president of the United Mine Workers.

Mary Price

A former secretary to Walter Lippmann, special writer for the New York Herald Tribune, was named by Miss Bentley, confessed Communist spy courier, as one of her sources of information. She said Miss Price, whom she identified as a Communist, helped her by digging through Mr. Lippmann's files while he was out of town for material on American-British relations, which she and Miss Bentley retyped and sent to the Russians. Miss Price later headed Henry Wallace's Progressive

party in North Carolina and was its candidate for governor in 1944. She was known in the Communist party as Mary Watkins, Miss Bentley said.

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Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Tolson

DATE: Nov. 29, 1953

FROM : L. E. Nichols

SUBJECT:

Gregory

12/13/80 3046 RB/JS
ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/28/83 BY SP5 RJA/KCJ

For record purposes, I am attaching hereto a copy of the Director's statement on Tuesday afternoon, November 17, 1953, as delivered before the Senate Subcommittee on Internal Security.

At the bottom of page 10 of the statement, the Director interpolated the following sentence: "These dismissals occurred in March, 1946, June 14 and 18, 1946, July, 1946, and September."

There is also attached a set of exhibits which are keyed to the text and we have placed the footnotes in the text. The last minute revisions of the exhibits contain the eight exhibit tabs and are attached hereto as an enclosure.

I desire to record that the first draft of the statement was reviewed by Messrs. Belmont, Ladd and Lamphere. After the Director, you and I met on Monday morning, I read the revised draft to Messrs. Ladd, Belmont and Lamphere, who concurred. Following the further revisions on Tuesday morning, Mr. Ladd read the draft of the yellow of the statement as is attached.

Messrs. Ladd, Belmont and Lamphere stated that the facts set forth therein were correct; that there was nothing being held out that should be in and there was nothing in the speech, in their opinion, which should not be there.

Attachments

Mr. Ladd

Mr. Belmont

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. D. M. LADD

DATE: November 18, 1953

FROM : MR. A. H. BELMONT

SUBJECT: HARRY DEXTER WHITE
ESPIONAGE - R
Bufile 101-4053

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/22/83 BY SP5 RJA/Kay

In connection with the attached memorandum from Mr. Nichols to Mr. Tolson dated November 18, 1953, it was pointed out that [REDACTED]

[REDACTED] It was pointed out that this was being checked and the Director asked to have the results promptly.

[REDACTED] His name does appear in the summary on Harry Dexter White dated February 1, 1946, which was transmitted to General Vaughan by letter dated February 1, 1946, delivered February 4, 1946. On pages 24 and 25 of the February 1, 1946 summary, there is a section on Harold Glasser, who was involved in the Perlo network and reportedly had been an assistant to White in the Treasury Department. On page 25, in setting forth his background the following statement is made: "His (Glasser's) first residence abroad appears to have been in London, England, where passport was issued on Feb. 1, 1943, for travel to Africa, South Africa, and Egypt, where he was to be assigned to the Staff Affairs Section of General Eisenhower's staff."

The reference to Dwight D. Eisenhower has been checked in the William Gregory Silbermaster file 101-4053 and no information has been located relating to President Eisenhower or any of the subjects in the Silbermaster case. His name was indexed on a few occasions when all-time references to him were made by various persons but in no instance does the information connect him with any of the persons who reflect on the President's reputation.

ACTION

connection

WAB:V
B7

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. D. M. LADD

DATE: November 25, 1953

FROM : MR. A. H. BELMONT

SUBJECT: HARRY DEXTER WHITE
ESPIONAGE - R
Bufile 101-4053

Gregory

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/29/83 BY 025/ryk

Tolson
Ladd
Clegg
Glavin
Harbo
Rosen
Tracy
Gandy
Mohr
Tele. Rm.
Holloman
Sisco
Miss Gandy

In the attached memorandum from Mr. Nichols to Mr. Tolson, it was pointed out that Robert Morris of the Jenner Committee was disturbed on the dissemination shown relative to Frank Coe. The Department of Justice had furnished to Jenner this dissemination which showed only a summary of February 21, 1946 had contained information concerning Coe. The Director asked as to the facts.

Bentley first named Coe on January 30, 1946 as a minor figure in the Silvermaster network. We made the following dissemination on Coe:

A summary on Harry Dexter White dated February 1, 1946 mentions Coe, and this summary went to General Vaughan (February 1, 1946), to the Attorney General (February 4, 1946), and the State Department (February 4, 1946).

A summary memorandum in the Silvermaster case dated February 21, 1946, went to General Vaughan (February 25, 1946), the Attorney General (February 25, 1946), the Secretary of State (February 25, 1946), the Secretary of the Treasury (March 4, 1946), and Admiral Leahy (March 13, 1946).

A short summary in the Silvermaster case dated February 21, 1946 went to the Attorney General on February 23, 1946.

A summary in the Silvermaster case dated July 25, 1946 went to the Attorney General for delivery to the White House on July 26, 1946, and another copy went to the Attorney General on August 5, 1946.

Attachment

A summary in the Silvermaster case dated October 31, 1946 went to George E. Allen, Presidential advisor, (December 16, 1946), the Attorney General (December 2, 1946 and November 27, 1946), T. Vincent Quinn (August 11, 1947), Gus Vanech (December 6, 1946). A copy went to T. Vincent Quinn for Edward Foley of the Treasury on March 6, 1948, the Secretary of State on November 25, 1948.

In addition, a total of thirteen reports in the Silvermaster case mentioning Coe and in the individual espionage case on Coe went to the Department of Justice in a period from December 31, 1946 to November 20, 1952.

From the foregoing it will be seen that we did make considerable dissemination on Coe, and the employing agency, the Treasury Department, was advised in detail in the summary of February 21, 1946 of the allegations which were available concerning Coe. We sent the summary of February 21, 1946 to Secretary Vinson on March 4, 1946. Coe actually left the Treasury Department to join White in the International Monetary Fund on June 17, 1946. Coe stayed at the International Monetary Fund until December 3, 1952.

ACTION

The foregoing is for your information in this matter, and we are furnishing to the Criminal Division of the Department of Justice by separate memorandum a listing of the dissemination which has been made on Coe.

96
LBR 37

Office Memorandum • UNITED STATES GOVERNMENT

TO : THE DIRECTOR

FROM : D. M. LADD

SUBJECT: IRVING SIGMUND FRIEDMAN
INTERNATIONAL MONETARY FUND
LOYALTY OF EMPLOYEES OF THE UNITED NATIONS AND
OTHER PUBLIC INTERNATIONAL ORGANIZATIONS -
(INTERNATIONALLY RECRUITED)

DATE: November 25, 1953

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 6/22/83 BY SP5

NATHAN GREGORY SILVERMASTER

Reference is made to the memorandum from C. H. Stanley to Mr. Rosen dated November 17, 1953, in the captioned matter, which set forth information concerning Friedman and dissemination thereof made by the Bureau. On this memorandum the Director acted "Also Ladd & Belmont should dig out any other cases which have hung fire & which indicate possible security risks." In order to comply with the Director's request, Bureau files have been examined to determine if individuals involved are currently employed either by the U. S. Government or an internationally recruited organization.

Of a total of 14 principals in the Silvermaster group, 12 have been eliminated as not currently being in Government service. One of this group, namely William Henry Taylor, is employed as Assistant Director, Middle East Department, International Monetary Fund. Memoranda dated November 9 and November 10, 1953, regarding dissemination made in connection with this case were furnished the Director and Attorney General respectively. A comprehensive memorandum regarding dissemination in the Taylor case is currently in process of preparation. One individual in this group has not yet been eliminated inasmuch as the file is not available.

Of a total of 10 principals in the Perlo group, 8 have been eliminated as not being in Government service at the present time and files on the remaining 2 will be checked as soon as they become available. In addition to the Silvermaster and Perlo groups, 19 additional individuals have received attention in connection with this matter, 16 of whom have been eliminated as not being in Government service. Files will be checked on the remaining 3 as soon as possible.

In eliminating the individuals referred to above, Bureau main files were examined for the purpose of ascertaining the last known employment of each individual and in no instance was Government employment reflected. Files on the remaining individuals, totaling 6, are being procured as expeditiously as possible and you will be advised of the results thereof. In the event any of these 6 individuals is determined to be employed either by the U. S. Government or an internationally recruited organization, individual memoranda will be submitted.

ACTION:

NOT RECORDED

DEC 4 1953

ORIGINAL FILED IN

5 DEC 29 1953

SECRET

TO : Mr. D. M. Ladd

FROM : Mr. A. H. Belmont

SUBJECT: HARRY DEXTER WHITE
ESPIONAGE - R

ALL INFORMATION CONTAINED
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EXCEPT WHERE SHOWN
OTHERWISE

DATE: November 25, 1959

OG-124874

Classified by 6/23/83 SP5/rjg/hay
Declassify on: OADR

Regarding the attached news clipping concerning the statements of Canadian Minister Lester Pearson before the Canadian House of Commons today it appears that Pearson is confused.

[REDACTED]

b1

(c)

The fact is that Bureau letter dated February 1, 1946, to General Vaughan informs Vaughan that

[REDACTED]

b7D

[REDACTED]

[REDACTED]

[REDACTED]

b1

(S)

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IN REPLY, PLEASE REFER TO
FILE NO. _____

United States Department of Justice
Federal Bureau of Investigation
Washington 25, D. C.

SECRET

REGISTERED AIRMAIL
SPECIAL DELIVERY

Mr. Tolson _____
Mr. E. A. Tamm _____
Mr. Clegg _____
Mr. Glavin _____
Mr. Ladd _____
Mr. Nichols _____
Mr. Rosen _____
Mr. Tracy _____
Mr. Carson _____
Mr. Egan _____
Mr. Gurnea _____
Mr. Harbo _____
Mr. Hendon _____
Mr. Pennington _____
Mr. Quinn Tamm _____
Mr. Nease _____
Miss Gandy _____

Date: November 25, 1953

To: Director, FBI

Gr. B. From: Liaison Representative
Ottawa, Canada

Subject: HARRY DEXTER WHITE
EXPIONAGE - R

6/20/83 SP5 rjg/taf
Classified by
Declassify on: OADR

ReButel November 19, 1953 advising that the
information, referred to in a letter dated February 1, 1946
written by the Bureau to the White House and referred to
by the Attorney General before the Jenner Committee

[REDACTED] b1

[REDACTED] b1

3043 407/53
12/15/53

9/23/83
Classified by SP-1 GSK/alp
Declassify on: OADR
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(S)

DEC 8 1953

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Office Memorandum • UNITED STATES GOVERNMENT

TO : THE DIRECTOR
 FROM : D. M. LADD *pl*
 SUBJECT: GREGORY CASE
 ESPIONAGE - R

DATE: April 14, 1948

Assistant Attorney General Vincent Quinn called and advised that, as you have previously been informed, at the time

pl

Mr. Ladd	
Mr. Nichols	
Mr. Rosen	
Mr. Tracy	
Mr. Egan	
Mr. Gurnea	
Mr. Harbo	
Mr. Mohr	
Mr. Pennington	
Mr. Quinn Tamm	
Tele. Room	
Mr. Nease	
Miss Holmes	
Miss Gandy	

Mr. Quinn stated that subsequently Foley had contacted the Attorney General in an effort to get the Attorney General to put a letter in the record reflecting that Foley and the Attorney General had conferred about this matter, and that Perlo and Glasser had been continued in their employment in order to assist the investigation. Mr. Quinn stated that he objected to the Attorney General's being put in this category. The Attorney General was of the opinion he might have made some such commitment and, therefore, thought he ought to try to ease the Grand Jury records somewhat for the Treasury Department.

I advised Mr. Quinn that as far as the Bureau was concerned, the Treasury Department did not continue to employ these people at the request of the FBI, that any action which the Treasury Department took was strictly its own action.

Mr. Quinn stated that the Attorney General desired that a general statement be introduced into the Grand Jury minutes reflecting that it was mutually agreed by the Attorney General and Foley of the Treasury Department that Perlo and Glasser would be continued until the action of the Grand Jury was completed. I made no commitment to Mr. Quinn with respect to this, other than to advise that the Bureau, of course, had no part in any such arrangement.

Mr. Donegan subsequently called me from New York and advised that Mr. Quinn is coming to New York this evening and would probably go before the Grand Jury tomorrow morning for the purpose of taking up the above matter and also, as Mr. Quinn had previously advised, for the purpose of suggesting to the Grand Jury the question of returning a presentment.

DML:cmw

15 APR 19 1948

3405

17-15-46

ANNEX

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. D. M. LADD

DATE: November 27, 1953

FROM : MR. A. H. BELMONT

~~CONFIDENTIAL~~ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISESUBJECT: LAUGHLIN BERNARD CURRIE, with aliases
ESPIONAGE - R

On the morning of November 27, 1953, Messrs. William Foley and Ed Nicholson, of the Criminal Division, advised that Mr. Olney is most interested in prosecuting Laughlin Currie for either espionage or perjury.

In connection with the perjury prosecution, it was indicated that the only testimony of Currie within the statutory period is his testimony in the Owen Lattimore case, and there is some question as to the materiality of this testimony insofar as it pertained to the inquiry being conducted by the Congressional committee.

Insofar as possible prosecution for espionage is concerned, it was indicated that Olney felt espionage could be proven in the following manner:

Prove:

- (1) That a document existed or advice was furnished to the White House that the Russian code was broken;
- (2) That Currie, because of his position, had access to such document or advice or was in a position to have such access;
- (3) That ~~advice~~ ^{Advice} was not given officially to the Soviets;
- (4) That the Soviets found out we had broken their code or that the Soviets changed their code shortly thereafter. (It was suggested that this latter point might be proven by Elizabeth Bentley's testimony that her Soviet superiors knew the code had been broken.)

EX-124

ACTION: 58 DEC 11 RECORDED-96

SE 44

DEC 14 1953

I told Mr. Foley that the Department's inquiries concerning just what was needed in connection with the proposed prosecution of Currie should be submitted to the Bureau in writing and that we would then consider what action can be taken.

~~CONFIDENTIAL~~

CEH:LL

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DATE 6/25/88 BY SP5/ky

DECLASSIFIED BY 3042 PWT/ks
ON 12/15/88

Tolson
Ladd
Nichols
Belmont
Clegg
Glavin
Harbo
Rosen
Tracy
Gearty
Mohr
Winterrowd
Tele. Rm.
Holloman
Gandy

all information
pertaining to
this case
should be
destroyed
when all
pertinent
records
have been
reviewed
and
found
correct
and
complete

meantime started on
all same time make certain there
have been no holes in our investigation

Tolson _____
 Ladd _____
 Nichols _____
 Belmont _____
 Clegg _____
 Glavin _____
 Harbo _____
 Rosen _____
 Tracy _____
 Gearty _____
 Mohr _____
 Winterrowd _____
 Tele. Room _____
 Holloman _____
 Sizoo _____
 Miss Gandy _____

G. I. R. -10

Wife Confirms Story That Rose, Red Spy, Has Left Canada

By the Associated Press

MONTREAL, Nov. 27.—The wife of Fred Rose, former Communist member of Parliament who served a prison term for participating in an espionage ring, said yesterday he has gone to Czechoslovakia "for health and business reasons."

Mrs. Rose, interviewed at her home here, confirmed newspaper reports that her husband slipped out of Canada on an ocean liner in mid-October, carrying a valid passport.

"My husband has not been well for the past seven years," said Mrs. Rose. "He has been suffering from rheumatism and decided a couple of months ago to go to Czechoslovakia for both health and business reasons."

Undecided About Future

She declined to answer whether she and her 17-year-old daughter would join Rose in Europe. "It is difficult to say what will be done in the future," she added.

Rose is visiting health centers and baths "specially suited for the treatment of rheumatic cases" in Czechoslovakia and will arrange for purchases of electrical equipment to be sold in Canada, his wife said.

A Montreal police spokesman said Rose's departure had been officially noted. Royal Canadian Mounted Police declined comment.

An immigration department official said there is nothing to prevent Rose—a native of Poland—from going anywhere provided other countries are willing to admit him.

"We like it here," said Mrs. Rose. "My husband liked it here. Canada is important to us. It's our home and I can see no reason for leaving it."

Key Member of Ring

Rose was a key member of a Soviet spy ring disclosed by Russian cipher clerk Igor Gouzenko, who bolted the Soviet Embassy in Ottawa in 1945 with documentary proof of the espionage.

Rose was freed from prison here in August, 1951, after serving most of a six-year term. He was an electrician before he was elected to Parliament after World War II.

After his release from prison, he became part owner of an electrical firm which subsequently closed. Since then he held several jobs.

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12/13/88 385/STK

Times-Herald _____

Wash. Post _____

Wash. News _____

Wash. Star _____

N.Y. Herald Tribune _____

N.Y. Mirror _____

N.Y. Compass _____

Date: 11-27-53

162-511-11-
 NOT RECORDED
 156 DEC 7 1953

58 DEC 1 1953

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. LADD

FROM : A. H. BELMONT

SUBJECT:

DATE: November 30, 1953

LAUCHLIN CURRIE
ESPIONAGE - R

ALL INFORMATION CONTAINED
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DATE 6/22/83 BY SP5 JAW/STW

1953
Mr. Tolson
Mr. Ladd
Mr. Nichols
Mr. Belmont
Mr. Clegg
Mr. Glavin
Mr. Harbo
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Hendon
Mr. Pennington
Mr. Quinn
Mr. Nease
Miss Gandy

Mr. Walt Yeagley, of the Department, on November 30, 1953, advised that Assistant Attorney General Olney is quite anxious to see what can be done to prosecute Lauchlin Currie for espionage. You will recall that this was previously discussed with me by Mr. William Foley, of the Department, and at that time I requested that any investigation desired by the Department be set forth in writing. Mr. Yeagley said a memorandum is being prepared by the Department.

Mr. Yeagley inquired whether Currie returns to the United States from Colombia, South America during the Christmas holidays. I advised him that

of his possible return this year but that we do not have the coverage in Colombia to be assured one way or another.

RECORDED-96

EX-124

DEC 4 1953

DEC 15 1953

1. Give to adj. prof. [unclear] [unclear]
when received
2. Acquire we have [unclear] [unclear]
pertinent information to [unclear]

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI
 Att: Asst. Dir. A. H. Belmont
 FROM : SAC, New York (65-14603)
 SUBJECT: GREGORY
 ESPIONAGE - R

DATE: 11/13/53

Attached hereto is a ~~static~~ static copy of a chart which was prepared during the grand jury appearance of various subjects in the SILVERMASTER case.

This chart was utilized by SAAG T. J. DONEGAN during the time he was handling the grand jury that heard witnesses in this case.

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 12/13/88 3042 PWT/JS
 G. L. R. -3

Enc. 1

*Encl. filed with
 Belmont's file
 memo 11-17-53
 101-4053-198
 JPB per [initials]*

RECORDED-65

EX-102

NOV 17 1953

TGS:EG

DEC 10 1953

4033

65-56402-40

CONFIDENTIAL

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. D. M. LADD

DATE: November 30, 1953

FROM : MR. A. H. BELMONT

SUBJECT: NATHAN GREGORY SILVERMASTER, ETAL
ESPIONAGE - R
Bufile 65-56402

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
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OTHERWISE

Classified by 622/3
Declassify on: OADR

There is attached a memorandum to Mr. Olney of the Criminal Division which is in answer to his memorandum of November 19, 1953, enclosing summaries prepared by the Criminal Division on eleven individuals. We reviewed the summaries to determine if there was material contained therein which would reveal confidential sources or confidential investigative techniques, and to determine if dissemination to the Jenner Committee would interfere with current investigations. While we informed the Criminal Division that we did not check these summaries specifically for accuracy, we do make comment to the Criminal Division on various misstatements which we have found in the summaries and which it might be noted show the summaries were very sloppily written.

We are also furnishing to the Department as an attachment to the memorandum to Mr. Olney, individual memoranda on eleven individuals showing the dissemination we made on these persons. It is to be noted in this dissemination we left out instances where we wrote memoranda to the Attorney General requesting authorization for technical surveillances. In the dissemination on Harold Glasner, we also committed the fact that oral information was given to representatives of the World Bank on October 31, 1947. We did this because our dissemination to the World Bank representatives was on a very confidential basis and is not something which should be made known to the Jenner Committee.

RECOMMENDATION

EX - 122

RECORDED - 81

DEC 8 1953

There is attached a memorandum to the Criminal Division commenting on the statements they previously prepared and furnishing them the dissemination on the eleven individuals involved in this matter. It is also to be noted that the Director, in connection with a memorandum from Mr. Belmont to Mr. Ladd dated November 19, 1953, stated he wanted Mr. Tolson and Mr. Nichols to look at the material before it went to the Department.

DEC 10

RJL:awn
Attachment

12-3-53

CONFIDENTIAL

DECLASSIFIED BY 622/3
ON 12/13/88

UNRECORDED COPY

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Tolson

DATE: Dec. 3, 1953

FROM : L. B. Nichols

SUBJECT:

Robert Morris advised me on the evening of December 3rd on the following matters:

(1) The State Department has designated Senator Jenner and Morris to go to Canada to interview Igor Gouzenko. Morris is wondering if we should give him any assistance in the way of briefing on Gouzenko, as to what questions to ask and what questions not to ask, or whether it would not be better for them to go up cold so that if requested or asked, they could truthfully say they had received no information from the FBI. I told him it seemed to me that this would be the preferable course and then after they had interviewed Gouzenko, before making any statements, they should talk to us and we could see how Gouzenko's story jibed with the story he told some years ago, exactly what had been done in the meantime and what the results were. Morris stated they would certainly do this.

He then stated Secretary Dulles wants the interview with Gouzenko completed prior to the ending of the Bermuda Conference and has told Jenner to be ready to go on a moment's notice as soon as they get word from Canada. Jenner left this afternoon to go back to Indiana. Morris went to New York. He will keep in touch with us. Morris asked for no courtesies in Canada and I made no mention of our liaison representative as I think it would be better to stay completely away from them in Canada.

(2) Morris also advised me that he was going to ask Deputy Attorney General Rogers for dissemination data on Maurice Halperin, Irving Kaplan, William Ludwig Ullman and Fitzgerald, four subjects in the Silvermaster case. Morris subsequently told me he had talked to Rogers and made the request for this data and had been told the data would be forthcoming.

cc: Mr. Ladd
Mr. Belmont

LBN:MP

RECORDED-85

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[REDACTED]

Morris told me Rogers wanted to see him about his own future at the earliest opportunity next week. Morris stated he had checked on the New York law and found that under the law, it would be necessary for him to immediately qualify for a new position as City Magistrate and assume the duties. He had thought he might be able to hold off taking this job for 30 days or so.

✓ ✓ ✓

get prepared for our
answer to this line of
inquiry if they take it!

61-402-4035

Office Memorandum • UNITED STATES GOVERNMENT

TO : D. M. Ladd

DATE: December 8, 1953

FROM : A. H. Belmont

SUBJECT: NATHAN GREGORY SILVERMASTER, was., et al
ESPIONAGE - R

Reference is made to the memorandum from Mr. Nichols to Mr. Tolson dated December 3, 1953, wherein information furnished by Robert Morris is set forth. Morris informed that he was going to ask the Department of Justice for dissemination data on Maurice Halperin, Irving Kaplan, William Ludwig Ullman and Edward Joseph Fitzgerald.

For your information, by letter dated December 3, 1953, to Assistant Attorney General Warren Olney III the dissemination data on Kaplan, Ullman and Halperin was forwarded to the Department of Justice. The data on Fitzgerald is presently being assembled and it will be prepared for the Department. The Director's notation appears thereon "get started on this."

RECOMMENDATION:

No action. This is to inform you of the status of this matter in this division.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/23/83 BY SP-5 MJK/ky

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STANDARD FORM NO.

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI
Att: Inspector Carl Hennrich
FROM : SAC, New York (65-14603)
SUBJECT: ~~REGORY~~
ESPIONAGE - R

DATE: 12/3/53

01-815

There are attached newspaper clippings from the "New York Sunday Mirror" of 11/29/53 regarding ELIZABETH BENTLEY.

Enc.

INFORMATION CONTAINED

6/22/83 5257 JGK
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58 DEC 15 1953

EX-127

Mr. Tolson	
Mr. E. A. Tamm	
Mr. Clegg	
Mr. Glavin	
Mr. Ladd	
Mr. Nichols	
Mr. Rosen	
Mr. Tracy	
Mr. Carson	
Mr. Egan	
Mr. Gurnea	
Mr. Harbo	
Mr. Hendon	
Mr. Jones	
Mr. Mumford	
Mr. Quinn	
Mr. Nease	
Mr. Gandy	

DEC 15 1953

1945-1946

EX-SPY QUEEN TO TELL OWN STORY

Bentley Tells

Hence
Opera

for Her Story

Bares Secrets Of Spy Penetration

By HARRY COREN

Despite the recent startling revelations of Soviet espionage operations in the U. S., the activities of American spies in high government office are unquestionably continuing, Elizabeth Bentley, former Communist espionage courier, warns in a series of exclusive stories for the Mirror.

The woman who has cited to the FBI the names of 37 espionage agents in Washington emphasizes that the menace



Elizabeth Bentley, former Communist courier, says: "Soviet espionage in this country is still real, factual, effective and terribly, incredibly dangerous." In her exciting, six-part story beginning soon in the Mirror, she names the agents "controlled" by her—"I saw the documents they stole... I brought them their orders from Soviet supervisors."

of the Red spy networks is by no means lessened because of the exposure of the two rings she "controlled" while in the Communist underground.

Convinced that at least two more rings are still in operation, she says:

"Soviet espionage in this country is still real, factual, effective and terribly, incredibly dangerous."

PERMANENTLY to strengthen the alert that is now being sounded across the nation against operations of the deeply entrenched Red network, Miss Bentley has written the authoritative, definitive expose of the penetration to our highest government councils by American espionage agents.

Beginning in a subsequent edition, the Daily Mirror will print the exclusive first-person story by the woman whose sensational testimony before Congressional committees and other investigating bodies has been lauded and described as "entirely accurate" by FBI Director Hoover.

Now living in the bayou country of Louisiana, where she is a teacher at a girl's school, Miss Bentley was contacted by the Mirror and invited to write the history of her strange life and fabulous career as the "contact" for the two major spy rings which operated in Washington.

accomplishments of the spy rings and highlight the dangers the nation faces from dedicated spies.

"I saw the documents they stole," she writes in part. "I listened to the secret information they transmitted verbally. I brought them their orders from the Soviet supervisors."

Her story tells how a girl of old New England stock, born of long American ancestry, bred in the soil of old American traditions, found her way into the Communist Party. It tells how because of misguided beliefs and faith in one man, she renounced country, family and every sense of right.

PRESSED BY this man to become a Communist undercover agent, she became the courier for the conspirators stealing the country's most vital secrets.

Her story takes on special significance in the light of disclosures now being made by Congressional committees, Men like Harry Dexter White, Nathan Gregory Silvermaster, Harold Glaser, Elizabeth Carle and others were the people with whom she dealt regularly. The dramatic recital recounts her eventual realization of the nature of the conspiracy in which she played so important a part. SHE WRITES with frankness

SUNDAY MIRROR NOVEMBER 29 1958

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Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Tolson

DATE: November 19, 1953

FROM : L. B. Nichols

SUBJECT

Mike Horan called and stated that he wanted to check with us as to the interests of the Jenner Committee growing out of the hearings on Tuesday. He stated that there would be no duplication of work.

1. He stated that Morris had asked the Attorney General whether there had been any dissemination of the letter of November 8, 1945, other than to the White House and asked the Attorney General to furnish details of that letter to General Vaughan. *memo Ref 11-20-52*
2. The dissemination of the November 27 memorandum on Soviet Espionage. Horan pointed out the Attorney General has stated that he already referred to this in his statement to the press. I told Mike the details on this have been furnished to the Department.
3. Morris had asked him about the dissemination of the letter dated February 1, 1946, to General Vaughan. I told Horan that I felt sure the details had been furnished to the Department.
4. Details on dissemination of Harold Glasser, Frank Coe, and Victor Perlo.
5. Whether Irving S. Friedman and William Henry Taylor were still employed. The Attorney General stated he would have to check on this. I told Horan that, of course, to answer the question would necessitate a check immediately prior to the answer; that it was my understanding that Friedman and Taylor were still employed, but this was something they should check on.

Horan then stated that Morris had advised the Director of the request of the Attorney General to supply dissemination data on Glasser, Coe, Perlo and others and in response to the specific question, the Director had stated that the dissemination data would not violate security, although the Director would be opposed to producing the reports.

Horan then stated that in view of the fact that we have had liaison with the Jenner Committee, he was wondering whether we should handle this or he should handle it. I told Mike that it appeared that this had been taken out of our hands, the request had been directed to the Department and I felt that this was something that would probably be more appropriate for him to handle. In this cc - Mr. Ladd

cc - Mr. Ladd 52
cc - Mr. Belmont
LBN:ptm

DEC 8 1953

Memorandum for Mr. Tolson from L. B. Nichols

connection, Morris told me last night that he was pressing the Department for dissemination data on Glasser, Coe, Perlo and Solomon Adler to be used in a hearing on Monday.

We probably should have the dissemination data readily available for our own use. As pointed out in my memorandum yesterday, we will probably have to furnish the Department with the dissemination data unless this has previously been done.

V. von

XXXXXX
XXXXXX
XXXXXXFEDERAL BUREAU OF INVESTIGATION
FOIPA DELETED PAGE INFORMATION SHEET

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5 Pages contain information furnished by another Government agency(ies). You will be advised by the FBI as to the releasability of this information following our consultation with the other agency(ies).

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